



ANNUAL STATEMENT

For the Year Ended

December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

Farmer Mutual Aid Association

ORGANIZED UNDER THE LAWS OF THE STATE OF OHIO

Made to the

INSURANCE COMMISSIONER OF THE STATE OF OHIO

Pursuant to the Laws thereof

NAIC Company Code

10303

Home Office

201 West Canal Street
Street and Number

Ottoville 45876-00343
City Zip Code

Mail Address

PO Box 343
Street and Number

Ottoville 45876-00343
City Zip Code

Main Administrative Office

(419) 453-3155
Telephone Number

Organized

February 23, 1904

Commenced Business

July 2, 1904

Annual Statement Contact Person

Art Schnipke

Telephone Number

(419) 453-3155

Contact Person Email Address

aischnipke@bright.net

OFFICERS

President

Norb Miller

Vice President

Secretary

Art Schnipke

Treasurer

Art Schnipke

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

Mike Horstman

John Grote

Tom Kriemeyer

Art Ricker

Bruce Von Sossan

State of Ohio

County of

Putnam

Norb Miller

President and

Art Schnipke

Secretary of the

Farmer Mutual Aid Association

above described officers of said reporting entity, and that on the reporting period stated above all the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, with the schedules and explanations herein contained, annexed or referred to, is a full and correct statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me, this 28 day of February, 2013

Marjorie L. Ricker
Notary Public

MARJORIE L. RICKER
Notary Public, State of Ohio

MARJORIE L. RICKER
Notary Public, State of Ohio
My Commission Expires
May 30, 2016

Norb Miller
President

Art Schnipke
Secretary

Art Schnipke
Signature of Person Preparing Statement

Farmer Mutual Aid Association**ASSETS**

	Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds (Schedule D - Part 1)	0.00	0.00	
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	0.00	0.00	
3	Real estate (less liens, encumbrances) (Schedule A)	7,388.00	7,388.00	7,547.00
4	Cash (Schedule E)	502,832.87	502,832.87	545,866.58
5	Short-term investments		0.00	
6	Aggregate write-ins for invested assets		0.00	
7	Subtotals, cash and invested assets	510,220.87	510,220.87	553,413.58
8	Investment income due and accrued	1,689.43	1,689.43	978.00
9.1	Assessments or premiums in the course of collection (including agents balances)	2,407.72	2,407.72	1,843.81
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due		0.00	
9.3	Earned but unbilled premiums (post assessment)		0.00	
10.1	Amounts recoverable from reinsurers	67,364.51	67,364.51	
10.2	Funds held by or deposited with reinsured companies		0.00	
11.1	Current federal income tax recoverable and interest thereon		0.00	
11.2	Net deferred tax asset		0.00	
12	Electronic data processing equipment and software		0.00	
13	Furniture and equipment		0.00	
14	Receivables from parent, subsidiaries and affiliates		0.00	
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00
16	Total Assets	581,682.53	581,682.53	556,235.39
	Details of Write-Ins for Assets:			
1501			0.00	
1502			0.00	
1503			0.00	
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00

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LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	67,364.51	18,500.00
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents		
4	Other expenses (excluding taxes, licenses and fees)	3,571.83	648.01
5	Taxes, licenses and fees (excluding federal income taxes)		
6	Current federal income taxes (including \$0 on realized capital gains (losses))	1,344.64	1,929.08
7	Net deferred tax liability		
8	Borrowed money and interest thereon		
9	Unearned assessment/premium reserve	79,064.73	59,644.36
10	Advance premium		
11	Ceded reinsurance premiums payable	2,519.00	2,519.00
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others		
14	Provision for unauthorized reinsurance		
15	Payable to parent, subsidiaries and affiliates		
16	Aggregate write-ins for liabilities	0.00	0.00
17	Total liabilities	153,864.71	83,240.45
18	Surplus as regards policyholders	427,817.82	472,994.94
19	Total liabilities and surplus	581,682.53	556,235.39
	Details of Write-Ins for Liabilities:		
1601			
1602			
1603			
1698	Summary or remaining write-ins from overflow page	0.00	0.00
1699	Total aggregate write-ins	0.00	0.00

ANNUAL STATEMENT FOR THE YEAR
Farmer Mutual Aid Association
STATEMENT OF INCOME

2012

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	254,638.61	260,110.72
1.2	Less: Return Assessments/Premiums earned		
1.3	Direct Assessments/Premiums earned	254,638.61	260,110.72
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	29,864.60	29,661.84
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	
1.6	Net Assessments/Premiums earned	224,774.01	230,448.88
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	140,192.04	84,178.93
3	Loss expenses incurred (Expense Exhibit)	0.00	
4	Other underwriting expenses incurred (Expense Exhibit)	152,920.60	137,139.83
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	293,112.64	221,318.76
7	Net underwriting gain (loss)	-68,338.63	9,130.12
	INVESTMENT INCOME		
8	Net investment income earned	14,179.07	8,556.92
9	Net realized capital gains (losses) less capital gains tax		
10	Net investment gain (loss)	14,179.07	8,556.92
	OTHER INCOME		
11	Net gain (loss) from agents' or premium balances charged off		
12	Finance and service charges not included in premiums		
13	Aggregate write-ins for miscellaneous income	8,982.44	3,171.00
14	Total other income	8,982.44	3,171.00
15	Net income, after capital gains tax and before federal income taxes	-45,177.12	20,858.04
16	Federal income taxes incurred		
17	Net income	-45,177.12	20,858.04
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	472,994.94	452,136.90
19	Net income	-45,177.12	20,858.04
20	Change in net unrealized capital gains or (losses) less capital gains tax		
21	Change in net deferred income tax		
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	0.00	
23	Change in provision for reinsurance		
24	Aggregate write-ins for gains and losses in surplus	0.00	0.00
25	Change in surplus as regards policyholders for the year	-45,177.12	20,858.04
26	Surplus as regards policyholders, December 31 current year	427,817.82	472,994.94
	DETAILS OF WRITE-INS		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301	Rent Income	1,211.17	1,821.00
1302	Salvage Income	5,000.00	1,200.00
1303	Other Income	2,771.27	150.00
1304			
1399	Total Aggregate write-ins for miscellaneous income	8,982.44	3,171.00
2401			
2402			
2499	Total Aggregate write-ins for gains and losses in surplus	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
Farmer Mutual Aid Association**

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CASH FLOW STATEMENT

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	224,210.10	296,647.39
2	Net investment income	13,467.56	5,569.60
3	Miscellaneous income	8,982.44	
4	Total	246,660.10	302,216.99
5	Benefit and loss related payments	158,692.04	65,678.93
6	Commissions, expenses paid and aggregate write-ins for deductions	131,001.77	172,231.48
7	Federal and foreign income taxes paid (recovered)		
8	Total	289,693.81	237,910.41
9	Net cash from operations	-43,033.71	64,306.58
Cash from Investments			
10	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		
10.2	Stocks		
10.3	Real estate		
10.4	Net gains (losses) on cash, cash equivalents and short-term investments		
10.5	Miscellaneous proceeds		
10.6	Total investment proceeds	0.00	0.00
11	Cost of investments acquired (long-term only):		
11.1	Bonds		
11.2	Stocks		
11.3	Real estate		
11.4	Miscellaneous applications		
11.5	Total investments acquired	0.00	0.00
11.6	Net cash from investments	0.00	0.00
Cash from Financing and Miscellaneous Sources			
12.1	Borrowed funds (cash provided/applied)		
12.2	Other cash provided (applied)		
13	Net cash from financing and miscellaneous sources	0.00	0.00
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	-43,033.71	64,306.58
15.1	Beginning of year (cash, cash equivalents and short-term investments)	545,866.58	481,560.00
15.2	End of year (cash, cash equivalents and short-term investments)	502,832.87	545,866.58

**ANNUAL STATEMENT FOR THE YEAR
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EXPENSE EXHIBIT

	Claim Adjusting:	Current Year
1.1	Direct	0.00
1.2	Reinsurance assumed	0.00
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
1.4	Net claim adjusting	0.00
2.1	Commission and Brokerage: Direct commission and brokerage	26,381.96
2.2	Reinsurance assumed excluding contingent	0.00
2.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
2.4	Contingent - direct (commission and brokerage)	0.00
2.5	Contingent - reinsurance assumed (commission and brokerage)	0.00
2.6	Contingent - reinsurance ceded (commission and brokerage)	0.00
2.7	Policy and membership fees (commission and brokerage)	0.00
2.8	Net commission and brokerage	26,381.96
3	Allowances to managers and agents	0.00
4	Advertising	1,250.74
5	Boards, bureaus and associations	1,685.00
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
8.1	Salary and related items: Salaries	28,500.00
8.2	Payroll taxes	2,240.27
9	Employee relations and welfare	0.00
10	Insurance	58,445.78
11	Directors' fees	8,750.00
12	Travel and travel items	120.00
13	Rent and rent items	644.15
14	Equipment	0.00
15	Cost or depreciation of EDP equipment and software	159.00
16	Printing and stationery	4,951.09
17	Postage, telephone, exchange and express	2,779.44
18	Legal and auditing	8,000.00
19	Loss adjustment expenses	35,498.29
18	Investment expenses	0.00
19	Totals	153,023.76
20.1	Taxes, licenses and fees: State and local insurance taxes	0.00
20.2	Insurance department licenses and fees	175.00
20.3	All other (excluding federal income and real estate)	3,543.82
20.4	Total taxes, licenses and fees	3,718.82
21	Real estate expenses	2,376.75
22	Real estate taxes	2,917.60
23	Aggregate write-ins for miscellaneous expenses	0.00
24	Total expenses incurred (a)	188,418.89
25	Less unpaid expenses - current year	0.00
26	Add unpaid expenses - prior year	0.00
27	Total expenses paid	188,418.89
	Details of Write-ins:	
2301		
2302		
2303		
2304		
2305		
2399	Total Write-ins	0.00

(a) Includes management fees of \$0 to affiliates and \$0 to non-affiliates

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INSURANCE IN FORCE

	Amount (dollars)	Number
1 In force December 31 of previous year (to equal prior year's statement)	62,725,522	436
2 Written during the year	4,004,260	32
3 Total	66,729,782	468
4 Deduct those expired and cancelled	4,292,014	41
5 In force December 31 of current year	62,437,768	427
6 Deduct amount reinsured	0	XXX
7 Net amount in force	62,437,768	XXX

UNDERWRITING EXHIBIT - PART 2
LOSSES INCURRED

1	2	3	4	5	6
Lines of Business	Direct Losses Incurred	Losses Incurred on Reinsurance Assumed	Deduct: Reinsurance Recovered on Incurred Losses	Deduct: Salvage and Subrogation Converted To Cash	Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
Fire	154,256.66		31,367.57		122,889.09
Hail	4,363.57				4,363.57
Lighting	390.19				390.19
SEC Expense	7,076.58				7,076.58
Theft	2,909.60				2,909.60
Vandalism	562.54				562.54
Wind	781,531.39		780,000.00		1,531.39
OVERFLOW AMOUNTS					469.08
Totals	\$ 951,559.61	\$ -	\$ 811,367.57	\$ -	\$ 140,192.04

* Total should equal Line 2, Page 4, Current Year.

UNDERWRITING EXHIBIT - PART 2A
UNPAID LOSSES and LOSS ADJUSTMENT EXPENSES

1	2	3	4	5	6
Lines of Business	Direct Unpaid Losses	Unpaid Losses on Reinsurance Assumed	Deduct: Reinsurance Recoverable on Unpaid Losses	Unpaid Loss Adjustment Expenses	Net Unpaid Losses Columns 2 and 3 minus Column 4
Wind		67,364.51		35,498.29	67,364.51
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ -	\$ 67,364.51	\$ -	\$ 35,498.29	\$ 67,364.51

** Total should equal Line 2, Page 3, Current Year.

*** Total should equal Line 1, Page 3, Current Year.

EXHIBIT OF NONADMITTED ASSETS

	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1 Bonds			0.00
2 Preferred and common stocks and mutual funds			0.00
3 Real estate (less liens, encumbrances)			0.00
4 Cash			0.00
5 Short-term investments			0.00
6 Aggregate write-ins for invested assets			0.00
7 Subtotals, cash and invested assets	0.00	0.00	0.00
8 Investment income due and accrued			0.00
9.1 Assessments or premiums in the course of collection (including agents balances)			0.00
9.2 Premium receivable for advance pay			0.00
9.3 Earned but unbilled premiums (post assessment)			0.00
10.1 Amounts recoverable from reinsurers			0.00
10.2 Funds held by or deposited with reinsured companies			0.00
11.1 Current federal income tax recoverable and interest thereon			0.00
11.2 Net deferred tax asset			0.00
12 Electronic data processing equipment and software			0.00
13 Furniture and equipment			0.00
14 Receivables from parent, subsidiaries and affiliates			0.00
15 Aggregate write-ins for other than invested assets	0.00	0.00	0.00
16 Total Assets	0.00	0.00	0.00
Details of Write-Ins for Assets:			
1501	0.00	0.00	0.00
1502	0.00	0.00	0.00
1503	0.00	0.00	0.00
1598 Summary or remaining write-ins from overflow page	0.00	0.00	0.00
1599 Total aggregate write-ins	0.00	0.00	0.00

SCHEDULE D - PART 4

Showing all Bonds and Preferred & Common Stocks SOLD, REDEEMED OR Otherwise DISPOSED OF During the Current Year

Bonds, preferred stocks, common stocks and mutual funds to be grouped separately.

1 Cusip #	2 Description Give complete and accurate description of each bond and stock. If bonds are serial issues give amounts maturing each year. Companies may at their option summarize all bonds of the same issue called, matured or redeemed during the year and omit dates under column (3).	3 Date Sold	4 Name of Purchaser (if matured or called under redemption option, so state and give price at which called.)	5 No. of Shares of Stock	6 Consideration (Excluding Accrued Interest on Bonds)	7 Par Value of Bonds	8 Cost to Company (Excluding Accrued Interest on Bonds)	9 Book Value at Date of Sale	10 Increase, By Adjustment in Book Value During Year	11 Decrease, By Adjustment in Book Value During Year	12 Profit on Sale	13 Loss on Sale	14 Interest on Bonds Received During Year (including accrued interest on bonds sold)	15 Dividends on Stocks Received During Year (including accrued dividends on stocks sold)
** You can insert additional rows in yellow above if needed!														
Totals														

REINSURANCE SCHEDULE
Reinsurance Ceded and Reinsurance Assumed

1	2	3	4	5	6	7	8
Reinsurer or Reinsured	Ceded or Assumed	Location of Company	Total Amount Reinsured	Total Premiums Ceded *	Total Premiums Assumed **	Largest Risk Ceded or Assumed	Remarks
Grimnell Mutual Insurance Company	Ceded			29,864.60			
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 29,864.60	\$ -	XXX	XXX

*Total to agree with Page 4, Line 1.4, Current Year.

**Total to agree with Page 4, Line 1.5, Current Year.

COMPENSATION SCHEDULE

Show all salaries, commissions, claim adjustment expenses, directors fees and expenses, and travel items paid in the current year for the top 5 officers/employees and all directors, travel or car allowances, if paid, are to be included.

1	2	3	4	5	6	7	8	9
Name of Payee	Title	Salaries	Commissions	Claim Adjustment Expenses	Directors Fees & Expenses	Travel & Travel Items	All Other	Total
Officers/Employees:								
Norb MILLER	President	1,500.00						\$ 1,500.00
Art Schnipke	Secretary/Treasure	14,385.50	25,844.96					\$ 40,230.46
Virginia Behning	Assistant Secretary	14,114.50						\$ 14,114.50
4)								\$ -
5)								\$ -
Directors:								
Art Richter	Director	1,450.00						\$ 1,450.00
Bruce Von Sossan	Director	1,500.00						\$ 1,500.00
John Grote	Director	1,450.00						\$ 1,450.00
Mike Horsman	Director	1,450.00						\$ 1,450.00
Tom Krielenmeyer	Director	1,400.00						\$ 1,400.00
Brett Thatcher	Agent	537.00						\$ 537.00
Totals								
	XXXX	\$ 28,500.00	\$ 35,131.96	\$ -	\$ -	\$ -	\$ -	\$ 63,631.96

GENERAL INTERROGATORIES

(Answer all questions and attach additional sheets if necessary.)

1. Company's retention: Fire \$0 Wind \$0 Other \$0
 1a. Retention before reinsurance applies for: Catastrophe Reinsurance \$0 Aggregate excess of loss \$157,408
 2. What is the largest risk assumed and retained: \$157,408
 3. What kind of perils are being covered? Form 2 (Broad) Property Only
 4. Have the by-laws been amended during the current year? No If so, were such amendments filed with the Ohio Department of Insurance? NA
 5. In what counties does the Company operate: Putnam, Paulding, Van Wert, Allen, Muskingum, Wyandot, Hancock, Auglaize, Crawford, Defiance, Hardin, Marion, Wood, Deleware, Erie, Franklin, Miami, Morgan, and Richland
 6. Name of Principal Officer and amount of bond. Art Schnipke \$50,000
 7. Are all of the persons who handle funds of the Company bonded? Yes xxx No Auto Owners
 State the name and amount of each bond on each, except person named in item 6 above.
 8. Does the Company have an annual audit conducted by an independent CPA? No
 9. State the number of members holding policies in the Company. 427
 10. Was an annual report of the Company made available to each policyholder? Yes If so, did such report agree with the annual statement filed with the Ohio Department of Insurance? Yes
 11. State as of what date the latest examination of the Company was made by the Ohio Department of Insurance. 10/4/2009
 12. How many assessments were made during the year? 1 Date of last assessment 10/31/2012
 13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?
 14. Rate of policy fee 0
 15. State the amount of borrowed money since date of last assessment 0 interest thereon
 16. Does any person, firm, corporation or association have any claim, contingent or otherwise, against this Company which is NOT included in the liabilities on page 2 of this statement? Yes No xxx
 If yes, give the amount, terms for payment and reasons why such were not recorded as a liability on page 2 of this statement.

ORGANIZATIONAL CHART

LIST ALL ENTITIES THAT ARE MEMBERS OF AN INSURANCE COMPANY HOLDING SYSTEM AS
DEFINED IN ORC 3901.32

none



