

FARMERS MUTUAL INSURANCE COMPANY
ANNUAL STATEMENT

For the Year Ended December 31, 2012

H. Steven Harris, CPA, Inc.
114 N. Pleasant Street
West Union, OH 45693

H. Steven Harris, CPA, Inc.
Certified Public Accountant

114 North Pleasant Street

P.O. Box 433

West Union, Ohio 45693

Phone (937) 544-8274

Fax (937) 544-8693

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Farmers Mutual Insurance Company
Winchester, Ohio

I have compiled the balance sheet of Farmers Mutual Insurance Company (a corporation) as of December 31, 2012 and 2011, and the related statements of income, accumulated surplus, and cash flows for the years then ended included in the accompanying prescribed form. I have also compiled the supplementary information presented in the prescribed form. I have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Ohio Department of Insurance.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Ohio Department of Insurance and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Ohio Department of Insurance, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Ohio Department of Insurance and is not intended to be and should not be used by anyone other than this specified party.

H. STEVEN HARRIS, CPA, INC.



February 28, 2013

ANNUAL STATEMENT

For the Year Ended

December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

FARMERS MUTUAL INSURANCE COMPANY

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 10304

Home Office 1616 TRI COUNTY ROAD WINCHESTER 45697 OH
Street and Number City Zip Code

Mail Address PO BOX 116 WINCHESTER 45697 OH
Street and Number City Zip Code

Main Administrative Office 937-695-0305
Telephone Number

Organized OCTOBER 4, 1898 Commenced Business OCTOBER 4, 1898

Annual Statement Contact Person GREGORY W. PFEFFER Telephone Number 937-695-0305

Contact Person Email Address FARMERSMUTUALINSICO@CINCI.RR.COM

OFFICERS

President STEPHEN ROCKEY Vice President LARRY MCINTIRE

Secretary GREGORY W. PFEFFER Treasurer GREGORY W. PFEFFER

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

STEPHEN ROCKEY
LARRY MCINTIRE
LARRY PURDIN
SAMUEL KINCHELOE
GREGORY HUFF

State of Ohio

County of

ADAMS

STEPHEN ROCKEY President and

FARMERS MUTUAL INSURANCE COMPANY

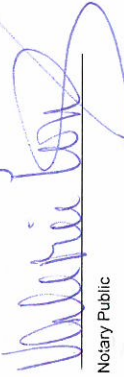
GREGORY W. PFEFFER

Secretary of the

being duly sworn each for himself/herself deposes and says, that they are the 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 28th


day of February, 2013


Notary Public

VALERIE LONG
MY COMM. EXP. APRIL 2, 2013
STATE OF OHIO
NO. 2008-RE-215386


STEPHEN ROCKEY

President


GREGORY W. PFEFFER

Secretary

SEE INDEPENDENT ACCOUNTANT'S COMPILATION RPT

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY**

2012

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	0.00
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	6,759.30	0.00	6,759.30
3	Real estate (less liens, encumbrances) (Schedule A)	37,203.71	0.00	37,203.71
4	Cash (Schedule E)	1,437,150.36	0.00	1,437,150.36
5	Short-term investments		0.00	0.00
6	Aggregate write-ins for invested assets		0.00	0.00
7	Subtotals, cash and invested assets	1,481,113.37	0.00	1,481,113.37
8	Investment income due and accrued	1,123.82	0.00	1,123.82
9.1	Assessments or premiums in the course of collection (including agents balances)		0.00	0.00
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due		0.00	0.00
9.3	Earned but unbilled premiums (post assessment)	218,525.32	0.00	218,525.32
10.1	Amounts recoverable from reinsurers		0.00	0.00
10.2	Funds held by or deposited with reinsured companies		0.00	0.00
11.1	Current federal income tax recoverable and interest thereon		0.00	0.00
11.2	Net deferred tax asset		0.00	0.00
12	Electronic data processing equipment and software		0.00	0.00
13	Furniture and equipment	2,306.76	2,306.76	0.00
14	Receivables from parent, subsidiaries and affiliates		0.00	0.00
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00
16	Total Assets	1,703,069.27	2,306.76	1,700,762.51
	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

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY**

2012

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	5,000.00	5,000.00
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents	4,646.82	5,633.12
4	Other expenses (excluding taxes, licenses and fees)	5,267.75	3,500.00
5	Taxes, licenses and fees (excluding federal income taxes)	569.84	550.40
6	Current federal income taxes (including \$0 on realized capital gains (losses))		
7	Net deferred tax liability		
8	Borrowed money and interest thereon		
9	Unearned assessment/premium reserve	19,839.65	16,494.08
10	Advance premium		
11	Ceded reinsurance premiums payable	8,349.10	7,284.63
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others	2,941.50	2,826.50
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	46,614.66	41,288.73
18	Surplus as regards policyholders	1,654,147.85	1,654,928.71
19	Total liabilities and surplus	1,700,762.51	1,696,217.44
	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
FARMERS MUTUAL INSURANCE COMPANY
STATEMENT OF INCOME**

2012

	Current Year	Prior Year
UNDERWRITING INCOME		
1.1	661,203.04	638,671.39
1.2		
1.3	661,203.04	638,671.39
1.4	100,189.26	87,415.60
1.5	0.00	
1.6	561,013.78	551,255.79
DEDUCTIONS		
2	326,723.00	266,244.01
3	6,770.00	4,675.00
4	274,371.94	296,505.70
5	0.00	0.00
6	607,864.94	567,424.71
7	-46,851.16	-16,168.92
INVESTMENT INCOME		
8	25,311.28	41,727.19
9		
10	25,311.28	41,727.19
OTHER INCOME		
11		
12		
13	20,000.00	0.00
14	20,000.00	0.00
15	-1,539.88	25,558.27
16	4,848.00	5,150.00
17	-6,387.88	20,408.27
SURPLUS ACCOUNT		
18	1,654,928.71	1,633,168.39
19	-6,387.88	20,408.27
20	148.35	1,135.74
21		
22	1,570.56	2,823.26
23		
24	3,888.11	-2,606.95
25	-780.86	21,760.32
26	1,654,147.85	1,654,928.71
DETAILS OF WRITE-INS		
0501		
0502		
0503		
0599	0.00	0.00
1301	20,000.00	
1302		
1303		
1304		
1399	20,000.00	0.00
2401	3,888.11	-2,606.95
2402		
2499	3,888.11	-2,606.95

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY**

2012

CASH FLOW STATEMENT

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	561,013.78	551,255.79
2	Net investment income	25,311.28	41,727.19
3	Miscellaneous income	20,000.00	
4	Total	606,325.06	592,982.98
5	Benefit and loss related payments	326,723.00	266,244.01
6	Commissions, expenses paid and aggregate write-ins for deductions	281,141.94	296,566.06
7	Federal and foreign income taxes paid (recovered)	4,848.00	5,150.00
8	Total	612,712.94	567,960.07
9	Net cash from operations	-6,387.88	25,022.91
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)	6,744.77	5,287.10
13	Net cash from financing and miscellaneous sources	6,744.77	5,287.10
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	356.89	30,310.01
15.1	Beginning of year (cash, cash equivalents and short-term investments)	1,436,793.47	1,406,483.46
15.2	End of year (cash, cash equivalents and short-term investments)	1,437,150.36	1,436,793.47

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY**

2012

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)	
1.4	Net claim adjusting	0.00
	Commission and Brokerage:	
2.1	Direct commission and brokerage	55,761.84
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)	29,241.50
2.8	Net commission and brokerage	85,003.34
3	Allowances to managers and agents	0.00
4	Advertising	2,344.50
5	Boards, bureaus and associations	0.00
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
	Salary and related items:	
8.1	Salaries	126,426.00
8.2	Payroll taxes	10,416.98
9	Employee relations and welfare	0.00
10	Insurance	12,018.90
11	Directors' fees	9,600.00
12	Travel and travel items	143.00
13	Rent and rent items	2,915.70
14	Equipment	1,570.56
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	4,852.35
17	Postage, telephone, exchange and express	6,157.76
18	Legal and auditing	3,148.60
19	Loss adjustment expenses	6,770.00
18	Investment expenses	0.00
19	Totals	186,364.35
	Taxes, licenses and fees:	
20.1	State and local insurance taxes	0.00
20.2	Insurance department licenses and fees	1,950.00
20.3	All other (excluding federal income and real estate)	0.00
20.4	Total taxes, licenses and fees	1,950.00
21	Real estate expenses	1,713.64
22	Real estate taxes	810.46
23	Aggregate write-ins for miscellaneous expenses	5,300.15
24	Total expenses incurred (a)	281,141.94
25	Less unpaid expenses - current year	0.00
26	Add unpaid expenses - prior year	0.00
27	Total expenses paid	281,141.94
	Details of Write-Ins:	
2301	MISCELLANEOUS EXPENSE	1,606.15
2302	BANK FEES	59.00
2303	DUES & SUBSCRIPTIONS	3,635.00
2304		
2305		
2399	Total Write-ins	5,300.15

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

ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY

2012

INSURANCE IN FORCE

	Amount (dollars)	Number
1 In force December 31 of previous year (to equal prior year's statement)	106,636,625	1,265
2 Written during the year	5,139,500	64
3 Total	111,776,125	1,329
4 Deduct those expired and cancelled	5,513,600	85
5 In force December 31 of current year	106,262,525	1,244
6 Deduct amount reinsured	105,935,802	XXX
7 Net amount in force	326,723	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
WIND	253,262.92		142,855.13		110,407.79
FIRE	197,470.66				197,470.66
LIGHTNING	12,150.91				12,150.91
EXTENDED COVERAGES	6,693.64				6,693.64
OVERFLOW AMOUNTS					
Totals	\$ 469,578.13	\$ -	\$ 142,855.13	\$ -	\$ 326,723.00

* 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
FIRE	2,500.00				2,500.00
WIND	2,500.00				2,500.00
OVERFLOW AMOUNTS					
Totals	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 5,000.00

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

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

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY**

2012

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	2,306.76	3,877.32	1,570.56
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	2,306.76	3,877.32	1,570.56
	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

2012 ANNUAL STATEMENT OF FARMERS MUTUAL INSURANCE COMPANY

SCHEDULE A

Showing All Real Estate OWNED December 31 of Current Year

1	2	3	4	5	6	7	8	9	10
Description of Property	Acquired Date	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	End of Current Year Book Value (Col. 4+5-6-7) *	Gross Income Current Year (Real Estate)	Gross Expenses Current Year (Real Estate)
OFFICE BUILDING & LOT	3/12/1945	FARMERS MUTUAL INSURANCE COMPANY	54,235.68		17,031.97		37,203.71		
*Total to agree with Page 2, Line 3, Current Year.									
Totals	XXX	XXX	\$ 54,235.68	\$ -	\$ 17,031.97	\$ -	\$ 37,203.71	\$ -	\$ -
OVERFLOW AMOUNTS									

FURNITURE, FIXTURES and AUTOMOBILES

Showing All Furniture, Fixtures and Automobiles OWNED December 31 of Current Year

1	2	3	4	5	6	7	8
Description	Acquired Date	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	End of Current Year Book Value (Col. 4+5-6-7)
PRIOR ASSETS	VARIOUS		70,897.28		68,590.52		2,306.76
Totals							
	XXX	XXX	\$ 70,897.28	\$ -	\$ 68,590.52	\$ -	\$ 2,306.76
OVERFLOW AMOUNTS							

SCHEDULE D - PART 2
Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

1 Cusip #	2 Description	3 From Whom Acquired	4 Date Acquired	5 No. of Shares	6 Par Value (Preferred Stocks)	7 Book Value	8 Per Share Used To Obtain Market Value	9 Market Value/Fair Value of Current Year	10 Actual Cost	11 Received During Year	12 Dividends and Accrued Dec. 31	13 Increase, by Adjustment, in Book Value During Year	14 Decrease, by Adjustment, in Book Value During Year
62989*105	NAMICO CLASS B	NAMIC	4/7/1987	30.00		6,759.30	225.31	6,759.30	1,500.00			148.35	
XXX	OVERFLOW AMOUNTS FROM PAGE 19	XXX	XXX	XXX	XXX	6,759.30	XXX	6,759.30	1,500.00			148.35	
Totals		XXX	XXX	XXX	XXX	6,759.30	XXX	6,759.30	1,500.00			148.35	

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
GRINNELL MUTUAL REINSURANCE CO	CEDED: WE CEDE ALL IN EXCESS OF OUR STOP LOSS TO GRINNELL	GRINNELL, IA	105,935,802	100,189,26		907,500	
OVERFLOW AMOUNTS							
Totals		XXX	\$ 105,935,802	\$ 100,189,26	\$ -	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:								
1) GREGORY W. PFEFFER	SEC/TREAS/MANAGER	63,604.32	55,761.84		1,950.00	143.00		\$ 119,509.16
2) CARMA J. TINCHE	ASST SEC/TREAS	32,578.08			1,950.00			\$ 32,578.08
3) VALERIE L. LONG	CSR	30,243.60			1,950.00			\$ 30,243.60
4)								\$ -
5)								\$ -
Directors:								
STEPHEN ROCKEY	PRESIDENT/DIRECTOR				1,950.00			\$ 1,950.00
LARRY MCINTIRE	VICE PRES/DIRECTOR				1,950.00			\$ 1,950.00
SAMUEL KINCHELOE	DIRECTOR				1,950.00			\$ 1,950.00
LARRY PURDIN	DIRECTOR				1,950.00			\$ 1,950.00
GREGORY HUFF	DIRECTOR				1,800.00			\$ 1,800.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ 126,426.00	\$ 55,761.84	\$ -	\$ 9,600.00	\$ 143.00	\$ -	\$ 191,930.84

GENERAL INTERROGATORIES

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

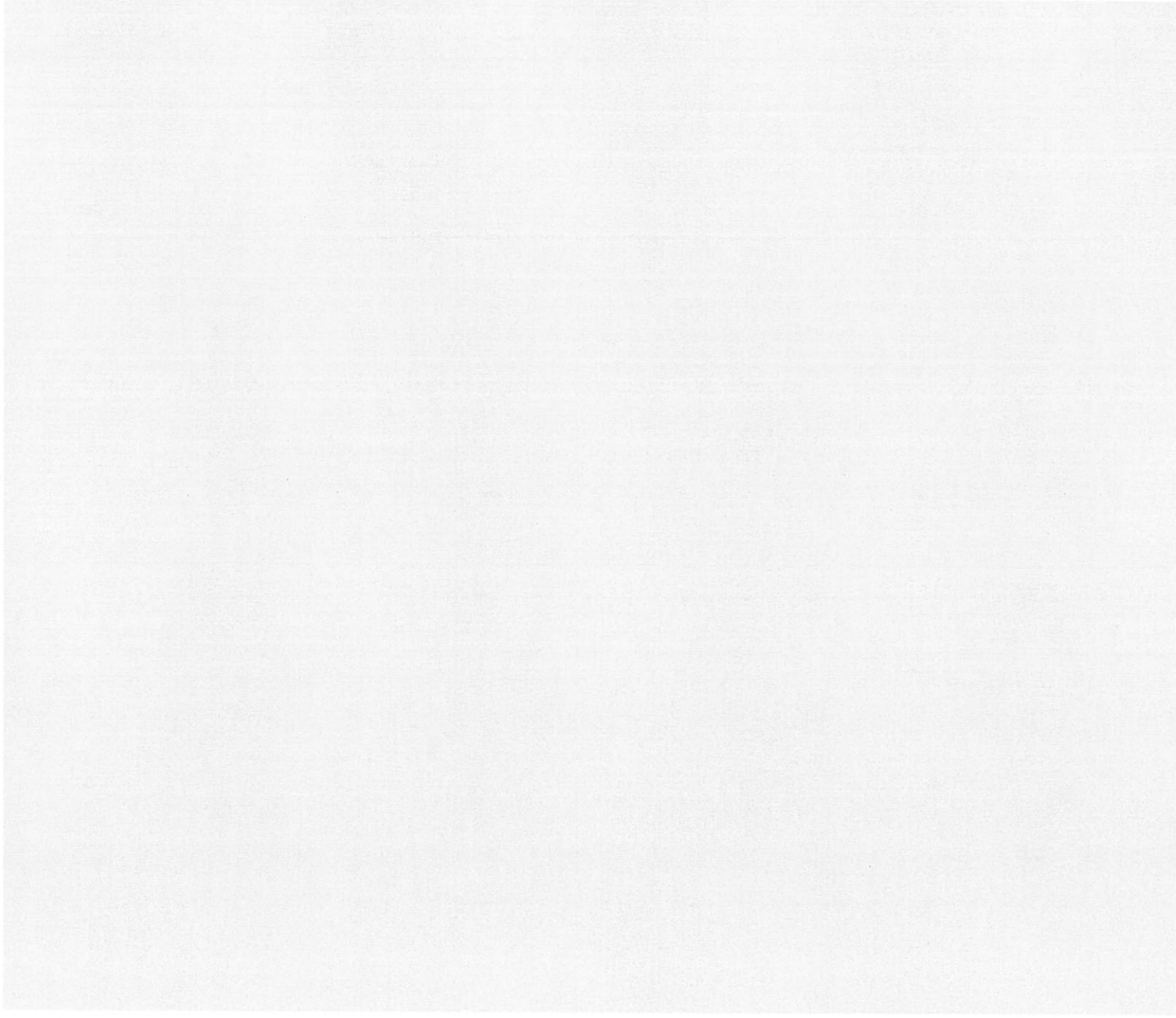
- Company's retention: Fire \$50,000 Wind \$50,000 Other \$50,000
1a. Retention before reinsurance applies for: Catastrophe Reinsurance UNLIMITED Aggregate excess of loss \$318,560
- What is the largest risk assumed and retained: \$907,500
- What kind of perils are being covered? FIRE, WINDSTORM, HAIL, VANDALISM, FALLING & MOVING BODIES, OVERTURN
- Have the by-laws been amended during the current year? NO If so, were such amendments filed with the Ohio Department of Insurance? ADAMS, BROWN, CLERMONT, HIGHLAND, PIKE, SCIOTO
- In what counties does the Company operate: GREGORY W. PFEFFER - \$250,000
- Name of Principal Officer and amount of bond: YES X No
- Are all of the persons who handle funds of the Company bonded? YES X No
- State the name and amount of each bond on each, except person named in Item 6 above. ALL EMPLOYEES COVERED UNDER SAME BOND
- Does the Company have an annual audit conducted by an independent CPA? No
- State the number of members holding policies in the Company. YES If so, did such report agree with the annual statement filed with the Ohio Department of Insurance? YES
- State as of what date the latest examination of the Company was made by the Ohio Department of Insurance. 12/31/2010
- How many assessments were made during the year? 2 Date of last assessment 9/1/2012
- Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment? YES
- Rate of policy fee \$60/YEAR
- State the amount of borrowed money since date of last assessment 0 interest thereon
- 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 X
- If yes, give the amount, terms for payment and reasons why such were not recorded as a liability on page 2 of this statement.

ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY

2012

ORGANIZATIONAL CHART

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



SUPPLEMENTAL COMPENSATION EXHIBIT

(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system: Yes No
 If yes, do the above amounts represent Yes No
 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group Yes No
 or 2) allocation to each insurer Yes No

2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes No

3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes No

Part 2 - OFFICERS AND EMPLOYEES COMPENSATION

1 Name and Principal Position	2 Year	3 Annual Compensation				6 Totals
		4 Salary	5 Bonus	6 All Other Compensation	7 Totals	
1. GREGORY W. PFEFFER SECRETARY/TREASURER/MANAGER	2012	63,604		55,905	119,509	
	2011	61,207	4,000	67,736	132,943	
	2010	58,292	6,000	149,122	213,414	
2. CARMA J. TINCHER ASSISTANT SECRETARY/TREASURER	2012	32,578			32,578	
	2011	31,350	2,000		33,350	
	2010	29,857	3,000		32,857	
3. VALERIE L. LONG CSR	2012	30,244			30,244	
	2011	29,108	2,000		31,108	
	2010	27,725	3,000		30,725	
4.	2012				0	
	2011				0	
	2010				0	
5.	2012				0	
	2011				0	
	2010				0	
6.	2012				0	
	2011				0	
	2010				0	
7.	2012				0	
	2011				0	
	2010				0	
8.	2012				0	
	2011				0	
	2010				0	
9.	2012				0	
	2011				0	
	2010				0	
10.	2012				0	
	2011				0	
	2010				0	

PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation	2 Compensation Paid or Deferred for Services as Director			4 Totals
	3 All other Compensation Paid or Deferred	4 All other Compensation Paid or Deferred	5 Totals	
1. STEPHEN ROCKEY-PRESIDENT/DIRECTOR	1,950		1,950	1,950
2. LARRY MCINTIRE-VICE PRES/DIRECTOR	1,950		1,950	1,950
3. SAMUEL KINCHELOE-DIRECTOR	1,950		1,950	1,950
4. LARRY PURDIN-DIRECTOR	1,950		1,950	1,950
5. GREGORY HUFF-DIRECTOR	1,800		1,800	1,800
6.			0	0
7.			0	0
8.			0	0
9.			0	0
10.			0	0
11.			0	0
12.			0	0
13.			0	0
14.			0	0
15.			0	0
16.			0	0
17.			0	0
18.			0	0
19.			0	0
20.			0	0
21.			0	0
22.			0	0
23.			0	0
24.			0	0
25.			0	0