

ANNUAL STATEMENT

For the Year Ended

December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

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

10305

Home Office

148 South Main Street

Cadiz

43907

OH

Street and Number

City

Zip Code

Mail Address

148 South Main Street

Cadiz

43907

OH

Street and Number

City

Zip Code

Main Administrative Office

(740) 942-3303

Telephone Number

Organized

April 1, 1898

Commenced Business

July 14, 1893

Annual Statement Contact Person

Lisa Kendziorski

Telephone Number

(740) 942-3303

Contact Person Email Address

lfarmmutual@frontier.com

OFFICERS

President

John Parkinson

Vice President

Marlene Hines

Secretary

Wayne Slater

Treasurer

Wayne Slater

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

John Parkinson

Ed Kleski

Wayne Slater

John W Parkinson

Allen Sparrow

Marlene Hines

State of Ohio

County of

Harrison

John Parkinson

President and

Wayne Slater

Secretary of the

FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

, 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

27th

day of February 2013

Barbara M. Monteleone
Notary Public
Commission expires 1-4-2014



John Parkinson

President



Wayne Slater

Secretary

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY**

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)	6,759.00	0.00	6,611.00
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	
4	Cash (Schedule E)	414,211.00	0.00	433,101.00
5	Short-term investments		0.00	
6	Aggregate write-ins for invested assets		0.00	
7	Subtotals, cash and invested assets	420,970.00	0.00	439,712.00
8	Investment income due and accrued		0.00	
9.1	Assessments or premiums in the course of collection (including agents balances)	10,535.00	0.00	7,492.00
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)	47,865.00	0.00	51,212.00
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	479,370.00	0.00	498,416.00
	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 OF HARRISON COUNTY**

2012

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	0.00	4,950.00
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)	369.00	597.00
5	Taxes, licenses and fees (excluding federal income taxes)	814.00	666.00
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	5,832.00	5,981.00
10	Advance premium		
11	Ceded reinsurance premiums payable		2,080.00
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	7,015.00	14,274.00
18	Surplus as regards policyholders	472,355.00	484,142.00
19	Total liabilities and surplus	479,370.00	498,416.00
	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 OF HARRISON COUNTY
STATEMENT OF INCOME**

2012

	Current Year	Prior Year
UNDERWRITING INCOME		
1.1	96,698.00	99,171.00
1.2	1,597.00	498.00
1.3	95,101.00	98,673.00
1.4	28,371.00	24,626.00
1.5	0.00	
1.6	66,730.00	74,047.00
DEDUCTIONS		
2	35,830.00	25,453.00
3	0.00	
4	47,162.00	46,746.00
5	0.00	0.00
6	82,992.00	72,199.00
7	-16,262.00	1,848.00
INVESTMENT INCOME		
8	3,704.00	5,719.00
9	0.00	
10	3,704.00	5,719.00
OTHER INCOME		
11		
12		
13	623.00	64.00
14	623.00	64.00
15	-11,935.00	7,631.00
16		
17	-11,935.00	7,631.00
SURPLUS ACCOUNT		
18	484,142.00	475,375.00
19	-11,935.00	7,631.00
20	148.00	1,136.00
21		
22	0.00	
23		
24	0.00	0.00
25	-11,787.00	8,767.00
26	472,355.00	484,142.00
DETAILS OF WRITE-INS		
0501		
0502		
0503		
0599	0.00	0.00
1301	623.00	64.00
1302		
1303		
1304		
1399	623.00	64.00
2401		
2402		
2499	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY
CASH FLOW STATEMENT**

2012

	Current Year	Prior Year
Cash from Operations		
1	64,805.00	80,350.00
2	3,704.00	5,719.00
3	623.00	64.00
4	69,132.00	86,133.00
5	40,780.00	31,872.00
6	47,242.00	46,662.00
7		
8	88,022.00	78,534.00
9	-18,890.00	7,599.00
Cash from Investments		
10		
10.1		
10.2		
10.3		
10.4		
10.5		
10.6	0.00	0.00
11		
11.1		
11.2		
11.3		
11.4		
11.5	0.00	0.00
11.6	0.00	0.00
Cash from Financing and Miscellaneous Sources		
12.1		
12.2		
13	0.00	0.00
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
14	-18,890.00	7,599.00
15.1	433,101.00	425,502.00
15.2	414,211.00	433,101.00

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY**

2012

EXPENSE EXHIBIT

		Current Year
1.1	Claim Adjusting:	
	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
	Commission and Brokerage:	
2.1	Direct commission and brokerage	4,800.00
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	4,800.00
3	Allowances to managers and agents	0.00
4	Advertising	560.00
5	Boards, bureaus and associations	1,374.00
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
	Salary and related items:	
8.1	Salaries	13,779.00
8.2	Payroll taxes	1,520.00
9	Employee relations and welfare	0.00
10	Insurance	5,787.00
11	Directors' fees	3,960.00
12	Travel and travel items	2,004.00
13	Rent and rent items	3,600.00
14	Equipment	0.00
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	3,543.00
17	Postage, telephone, exchange and express	2,281.00
18	Legal and auditing	3,354.00
19	Loss adjustment expenses	0.00
18	Investment expenses	0.00
19	Totals	41,762.00
	Taxes, licenses and fees:	
20.1	State and local insurance taxes	250.00
20.2	Insurance department licenses and fees	350.00
20.3	All other (excluding federal income and real estate)	0.00
20.4	Total taxes, licenses and fees	600.00
21	Real estate expenses	0.00
22	Real estate taxes	0.00
23	Aggregate write-ins for miscellaneous expenses	0.00
24	Total expenses incurred (a)	47,162.00
25	Less unpaid expenses - current year	1,183.00
26	Add unpaid expenses - prior year	1,263.00
27	Total expenses paid	47,242.00
	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

ANNUAL STATEMENT FOR THE YEAR 2012
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

INSURANCE IN FORCE

	Amount (dollars)	Number
1 In force December 31 of previous year (to equal prior year's statement)	18,690,065	319
2 Written during the year	859,900	13
3 Total	19,549,965	332
4 Deduct those expired and cancelled	1,580,012	32
5 In force December 31 of current year	17,969,953	300
6 Deduct amount reinsured	0	XXX
7 Net amount in force	17,969,953	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
Property	35,830.00				35,830.00
OVERFLOW AMOUNTS					
Totals	\$ 35,830.00	\$ -	\$ -	\$ -	\$ 35,830.00

* 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
NONE					
OVERFLOW AMOUNTS					
Totals	\$ -	\$ -	\$ -	\$ -	\$ -

** 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 OF HARRISON COUNTY**

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			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

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
Grimmell Mutual Reinsurance Company	Ceded	4215 Hwy 146 P. O. Box 790 Grimmell, IA		28,371.00		897,660	
OVERFLOW AMOUNTS							
Totals			\$ XXX	\$ 28,371.00	\$ -	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) Lisa Kendzioriski	Office Secretary	10,253.00						\$ 10,253.00
2) Wayne Slater	Board Secretary / Treasurer	3,060.00	1,050.00		660.00	99.00		\$ 4,869.00
3) Marlene Hines	Office Sec / Vice President	248.00	1,440.00		715.00	122.00		\$ 2,525.00
4)								\$ -
5)								\$ -
Directors:								
John Parkinson	President	500.00	900.00		660.00	145.00		\$ 2,205.00
Allen Sparrow	Asst. Secretary / Treasurer		450.00		495.00	74.00		\$ 1,019.00
Ed Kleski	Director		900.00		715.00	358.00		\$ 1,973.00
John W Parkinson	Director				715.00	158.00		\$ 873.00
Totals								
		\$ 14,061.00	\$ 4,740.00	\$ -	\$ 3,960.00	\$ 956.00	\$ -	\$ 23,717.00

GENERAL INTERROGATORIES

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

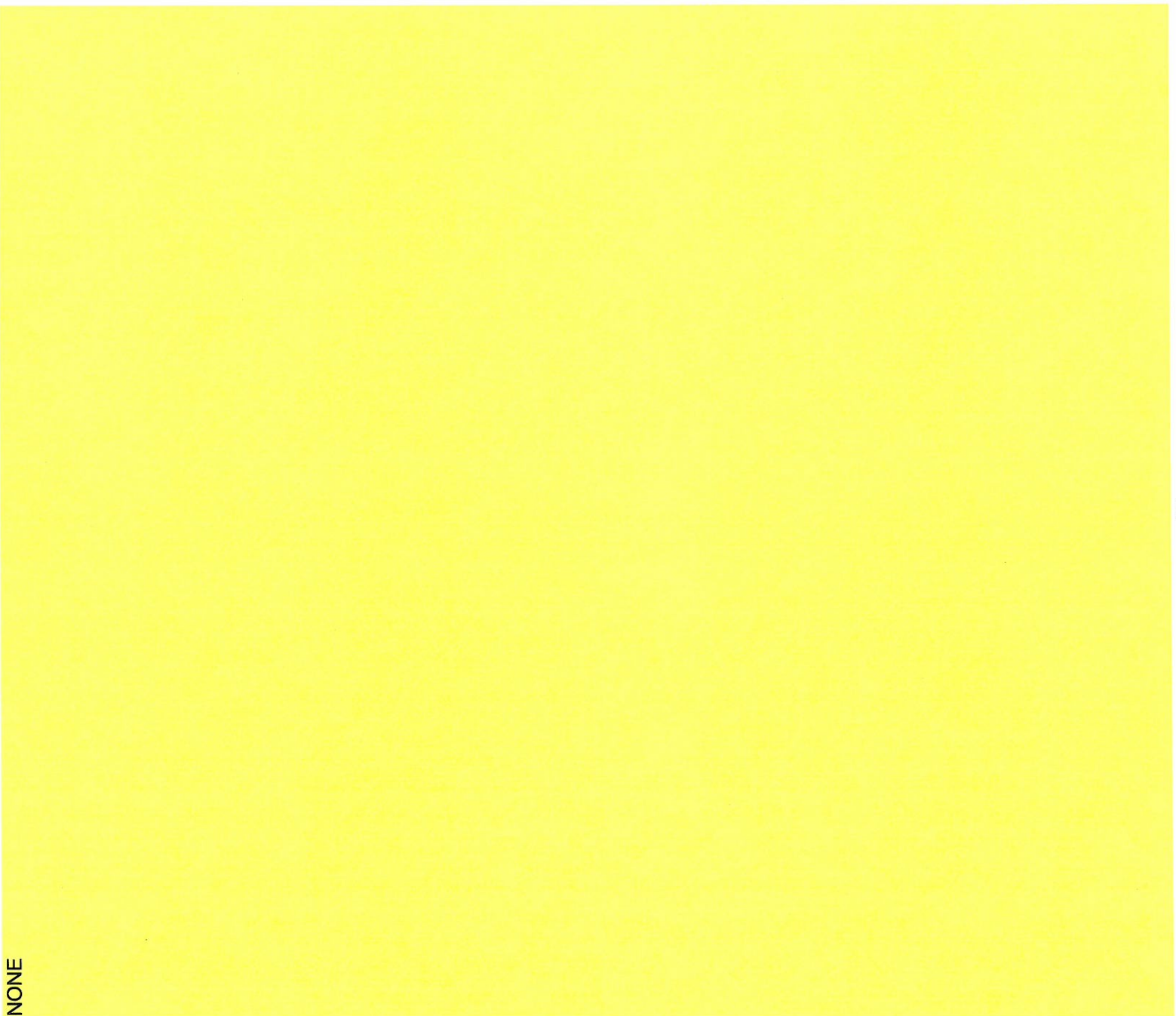
1. Company's retention:	Fire	\$25,000	Wind	\$25,000	Other	
1a. Retention before reinsurance applies for:	Catastrophe Reinsurance	\$0	Aggregate excess of loss	\$59,284		
2. What is the largest risk assumed and retained:		\$897,660				
3. What kind of perils are being covered?	Dwellings, Farm Buildings, Chattels, Rural Buildings and Village Buildings					
4. Have the by-laws been amended during the current year?	No	If so, were such amendments filed with the Ohio Department of Insurance?				
5. In what counties does the Company operate:	Harrison, Belmont, Carroll, Tuscarawas, Jefferson and Guernsey					
6. Name of Principal Officer and amount of bond.	Wayne Slater - \$50,000					
7. Are all of the persons who handle funds of the Company bonded?	Yes	S	No			
State the name and amount of each bond on each, except person named in Item 6 above.						
Lisa Kendzioriski and all directors - \$50,000						
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.	314					
10. Was an annual report of the Company made available to each policyholder?	No					If so, did such report agree
with the annual report filed with the Ohio Department of Insurance?						
11. State as of what date the latest examination of the Company was made by the Ohio Department of Insurance.	12/31/2007					
12. How many assessments were made during the year?	12					Date of last assessment
13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?	Yes					Yes
14. Rate of policy fee	0					
15. State the amount of borrowed money since date of last assessment	N/A					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
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 2012
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

ORGANIZATIONAL CHART

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

NONE



**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY**
Overflow Page for Write-ins

2012

Additional Write-ins for Assets:

	Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1504			0.00	
1505	NONE		0.00	
1506			0.00	
1597	Summary of remaining write-ins for Line 15 page 2	0.00	0.00	0.00

Additional Write-ins for Liabilities:

	Current Year	Prior Year
1604		
1605	NONE	
1606		
1697	Summary of remaining write-ins for Line 16 page 3	0.00

Additional Write-ins for Statement of Income:

	Current Year	Prior Year
	NONE	
	Summary of remaining write-ins for Statement of Income page 4	0.00

Additional Write-ins for Nonadmitted Assets:

	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1504			0.00
1505	NONE		0.00
1506			0.00
1597	Summary of remaining write-ins for Line 15 page 9	0.00	0.00

ANNUAL STATEMENT FOR THE YEAR 2012

FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

OVERFLOW PAGE FOR SCHEDULE E

SCHEDULE E - CASH or CASH EQUIVALENTS

Showing All Balances (according to Company's Records) Carried in Each Bank or Savings and Loan

All Columns Must Be Completed for Each Deposit, CD, Checking Account, etc.

1 DEPOSITORY Give Full Name and Location	2 Interest Rate	3 Amount of Interest Received During Year	4 Amount of Interest Accrued Dec. 31 of Current Year	5 Book Balance Dec. 31 of Current Year
OPEN DEPOSITORIES:				
NONE				
Totals To Page 16	xxx	\$ -	\$ -	\$ -