

**FARMERS MUTUAL INSURANCE COMPANY**  
**ANNUAL STATEMENT**

**For the Year Ended December 31, 2013**

**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

Phone (937) 544-8274

West Union, Ohio 45693

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, 2013 and 2012, 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 financial statements included in the accompanying prescribed form 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 included in the accompanying prescribed form (including related disclosures) are presented in accordance with the requirements of the Ohio Department of Insurance, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the managements of Farmers Mutual Insurance Company and the Ohio Department of Insurance and is not intended to be and should not be used by anyone other than these specified parties.

H. STEVEN HARRIS, CPA, INC.

 CPA

February 25, 2014

# ANNUAL STATEMENT

For the Year Ended

December 31 , 2013

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

Street and Number

WINCHESTER

City

45697

Zip Code

OH

Mail Address

PO BOX 116

Street and Number

WINCHESTER

City

45697

Zip Code

OH

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

FARMERSMUTUALINSCO@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

GREGORY HUFF

LARRY MCINTIRE

LARRY PURDIN

SAMUEL KINCHELOE

State of Ohio

County of

ADAMS

STEPHEN ROCKEY

President and

GREGORY W. PFEFFER

Secretary of the

FARMERS MUTUAL INSURANCE COMPANY

, 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 20 14

Notary Public

EXP 5-12-18

Stephen Rockey

President

Gregory W. Pfeffer

Secretary

SEE INDEPENDENT ACCOUNTANT'S COMPILATION RPT

Signature of Person Preparing Statement

ANNUAL STATEMENT FOR THE YEAR  
FARMERS MUTUAL INSURANCE COMPANY

2013

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	0.00
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	7,251.30	0.00	7,251.30	6,759.30
3	Real estate (less liens, encumbrances) (Schedule A)	39,740.95	0.00	39,740.95	37,203.71
4	Cash (Schedule E)	1,535,769.10	0.00	1,535,769.10	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	1,582,761.35	0.00	1,582,761.35	1,481,113.37
8	Investment income due and accrued	768.15	0.00	768.15	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)	181,706.94	0.00	181,706.94	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	1,271.00	1,271.00	0.00	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	0.00
16	Total Assets	1,766,507.44	1,271.00	1,765,236.44	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	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00	0.00

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

**2013**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

		<b>Current Year</b>	<b>Prior Year</b>
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	6,000.00	5,000.00
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents	3,607.30	4,646.82
4	Other expenses (excluding taxes, licenses and fees)	5,267.75	5,267.75
5	Taxes, licenses and fees (excluding federal income taxes)	575.16	569.84
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	19,840.84	19,839.65
10	Advance premium		
11	Ceded reinsurance premiums payable	10,108.85	8,349.10
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others	3,856.50	2,941.50
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	49,256.40	46,614.66
18	Surplus as regards policyholders	1,715,980.04	1,654,147.85
19	Total liabilities and surplus	1,765,236.44	1,700,762.51
	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**

**2013**

		Current Year	Prior Year
	<b>UNDERWRITING INCOME</b>		
1.1	Gross Assessments/Premiums earned	657,485.83	661,203.04
1.2	Less: Return Assessments/Premiums earned		
1.3	Direct Assessments/Premiums earned	657,485.83	661,203.04
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	121,306.18	100,189.26
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	
1.6	Net Assessments/Premiums earned	536,179.65	561,013.78
	<b>DEDUCTIONS</b>		
2	Losses incurred (Underwriting Exhibit - Part 2)	167,955.91	326,723.00
3	Loss expenses incurred (Expense Exhibit)	6,487.50	6,770.00
4	Other underwriting expenses incurred (Expense Exhibit)	280,178.75	274,371.94
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	454,622.16	607,864.94
7	Net underwriting gain (loss)	81,557.49	-46,851.16
	<b>INVESTMENT INCOME</b>		
8	Net investment income earned	23,963.54	25,311.28
9	Net realized capital gains (losses) less capital gains tax		
10	Net investment gain (loss)	23,963.54	25,311.28
	<b>OTHER INCOME</b>		
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	0.00	20,000.00
14	Total other income	0.00	20,000.00
15	Net income, after capital gains tax and before federal income taxes	105,521.03	-1,539.88
16	Federal income taxes incurred	6,317.00	4,848.00
17	Net income	99,204.03	-6,387.88
	<b>SURPLUS ACCOUNT</b>		
18	Surplus as regards policyholders, December 31 prior year	1,654,147.85	1,654,928.71
19	Net income	99,204.03	-6,387.88
20	Change in net unrealized capital gains or (losses) less capital gains tax	492.00	148.35
21	Change in net deferred income tax		
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	1,035.76	1,570.56
23	Change in provision for reinsurance		
24	Aggregate write-ins for gains and losses in surplus	-38,899.60	3,888.11
25	Change in surplus as regards policyholders for the year	61,832.19	-780.86
26	Surplus as regards policyholders, December 31 current year	1,715,980.04	1,654,147.85
	<b>DETAILS OF WRITE-INS</b>		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301	<b>OTHER INCOME</b>	0.00	20,000.00
1302			
1303			
1304			
1399	Total Aggregate write-ins for miscellaneous income	0.00	20,000.00
2401	<b>ADJUSTMENT - CASH TO ACCRUAL</b>	-38,899.60	3,888.11
2402			
2499	Total Aggregate write-ins for gains and losses in surplus	-38,899.60	3,888.11

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

**2013**

**CASH FLOW STATEMENT**

		Current Year	Prior Year
<b>Cash from Operations</b>			
1	Premiums/Assessments collected net of reinsurance	536,179.65	561,013.78
2	Net investment income	23,963.54	25,311.28
3	Miscellaneous income	0.00	20,000.00
4	Total	560,143.19	606,325.06
5	Benefit and loss related payments	167,955.91	326,723.00
6	Commissions, expenses paid and aggregate write-ins for deductions	286,666.25	281,141.94
7	Federal and foreign income taxes paid (recovered)	6,317.00	4,848.00
8	Total	460,939.16	612,712.94
9	Net cash from operations	99,204.03	-6,387.88
<b>Cash from Investments</b>			
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
<b>Cash from Financing and Miscellaneous Sources</b>			
12.1	Borrowed funds (cash provided/applied)		
12.2	Other cash provided (applied)	-585.29	6,744.77
13	Net cash from financing and miscellaneous sources	-585.29	6,744.77
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
14	Net change in cash, cash equivalents and short-term investments	98,618.74	356.89
15.1	Beginning of year (cash, cash equivalents and short-term investments)	1,437,150.36	1,436,793.47
15.2	End of year (cash, cash equivalents and short-term investments)	1,535,769.10	1,437,150.36

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

**2013**

**EXPENSE EXHIBIT**

		Current Year
1.1	<b>Claim Adjusting:</b> 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	<b>Commission and Brokerage:</b> Direct commission and brokerage	43,287.62
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)	28,560.50
2.8	Net commission and brokerage	71,848.12
3	Allowances to managers and agents	0.00
4	Advertising	2,412.30
5	Boards, bureaus and associations	0.00
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
8.1	<b>Salary and related items:</b> Salaries	146,426.00
8.2	Payroll taxes	10,022.68
9	Employee relations and welfare	0.00
10	Insurance	9,509.80
11	Directors' fees	9,450.00
12	Travel and travel items	129.54
13	Rent and rent items	2,583.26
14	Equipment	1,035.76
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	6,709.47
17	Postage, telephone, exchange and express	5,019.09
18	Legal and auditing	3,556.65
19	Loss adjustment expenses	6,487.50
18	Investment expenses	0.00
19	Totals	203,342.05
20.1	<b>Taxes, licenses and fees:</b> 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	2,148.71
22	Real estate taxes	819.84
23	Aggregate write-ins for miscellaneous expenses	6,557.53
24	<b>Total expenses incurred (a)</b>	286,666.25
25	Less unpaid expenses - current year	0.00
26	Add unpaid expenses - prior year	0.00
27	Total expenses paid	286,666.25
<b>Details of Write-Ins:</b>		
2301	MISCELLANEOUS EXPENSE	2,526.88
2302	BANK FEES	72.65
2303	DUES & SUBSCRIPTIONS	3,958.00
2304		
2305		
2399	Total Write-ins	6,557.53

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



ANNUAL STATEMENT FOR THE YEAR  
FARMERS MUTUAL INSURANCE COMPANY

2013

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	106,262,525	1,244
2	Written during the year	5,873,400	78
3	Total	112,135,925	1,322
4	Deduct those expired and cancelled	4,527,400	70
5	In force December 31 of current year	107,608,525	1,252
6	Deduct amount reinsured	107,212,394	XXX
7	Net amount in force	396,131	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	26,195.95				26,195.95
FIRE	188,544.42		54,750.00		133,794.42
LIGHTNING	2,800.00				2,800.00
EXTENDED COVERAGES	5,165.54				5,165.54
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 222,705.91	\$ -	\$ 54,750.00	\$ -	\$ 167,955.91

\* 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	2,000.00				2,000.00
WIND	4,000.00				4,000.00
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 6,000.00	\$ -	\$ -	\$ -	\$ 6,000.00

\*\* 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

2013

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	1,271.00	2,306.76	1,035.76
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	1,271.00	2,306.76	1,035.76
	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

2013 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	Date Acquired	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	Book Value End of Current Year (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 INSURNANCE COMPANY	54,235.68	4,685.95	19,180.68		39,740.95		
							-		
							-		
							-		
							-		
OVERFLOW AMOUNTS							-		
Totals	XXX	XXX	\$ 54,235.68	\$ 4,685.95	\$ 19,180.68	\$ -	\$ 39,740.95	\$ -	\$ -

\*Total to agree with Page 2, Line 3, Current Year.

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	Date Acquired	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	Book Value End of Current Year (Col. 4+5-6-7)
PRIOR ASSETS	VARIOUS		70,897.28		69,626.28		1,271.00
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
OVERFLOW AMOUNTS							-
Totals	XXX	XXX	\$ 70,897.28	\$ -	\$ 69,626.28	\$ -	\$ 1,271.00

Showing all **BONDS** Owned on December 31 of Current Year

\* Annual Statement Value

**Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year**

12

2013

## ANNUAL STATEMENT OF THE

**FARMERS MUTUAL INSURANCE COMPANY**

### SCHEDULE D - PART 3

Showing all Bonds and Preferred & Common Stocks **ACQUIRED** During the Current Year

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

[illegible]

\*The items with reference to each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "various" inserted in Columns 2 and 3.





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	107,212,394	121,306.18		1,064,000	
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ 107,212,394	\$ 121,306.18	\$ -	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	43,287.62			129.54	10,000.00	\$ 117,021.48
2) CARMA J. TINCHER	ASST SEC/TREAS	32,578.08					5,000.00	\$ 37,578.08
3) VALERIE L. LONG	CSR	30,243.60					5,000.00	\$ 35,243.60
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				1,800.00			\$ 1,800.00
LARRY PURDIN	DIRECTOR				1,950.00			\$ 1,950.00
GREGORY HUFF	DIRECTOR				1,800.00			\$ 1,800.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ 126,426.00	\$ 43,287.62	\$ -	\$ 9,450.00	\$ 129.54	\$ 20,000.00	\$ 199,293.16

GENERAL INTERROGATORIES

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

1. Company's retention:

Fire\$50,000Wind\$50,000Other\$50,000

1a. Retention before reinsurance applies for:

Catastrophe ReinsuranceUNLIMITEDAggregate excess of loss\$396,131

2. What is the largest risk assumed and retained:

\$1,064,000

3. What kind of perils are being covered?

FIRE, WINDSTORM, HAIL, VANDALISM, FALLING & MOVING BODIES, OVERTURN

4. Have the by-laws been amended during the current year?

NOIf so, were such amendments filed with the Ohio Department of Insurance?

5. In what counties does the Company operate:

ADAMS, BROWN, CLERMONT, HIGHLAND, PIKE, SCIOTO

6. Name of Principal Officer and amount of bond.

GREGORY W. PFEFFER - \$250,000

7. Are all of the persons who handle funds of the Company bonded?

YesXNo

State the name and amount of each bond on each, except person named in Item 6 above.

ALL EMPLOYEES COVERED UNDER SAME BOND

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.

10. Was an annual report of the Company made available to each policyholder?

YESIf 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.

12/31/2010

12. How many assessments were made during the year?

2Date of last assessment9/1/2013

13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?

YES

14. Rate of policy fee

\$100/YEAR

15. State the amount of borrowed money since date of last assessment

0 interest thereon0

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?

YesNoX

If yes, give the amount, terms for payment and reasons why such were not recorded as a liability on page 2 of this statement.

## 2013

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.**

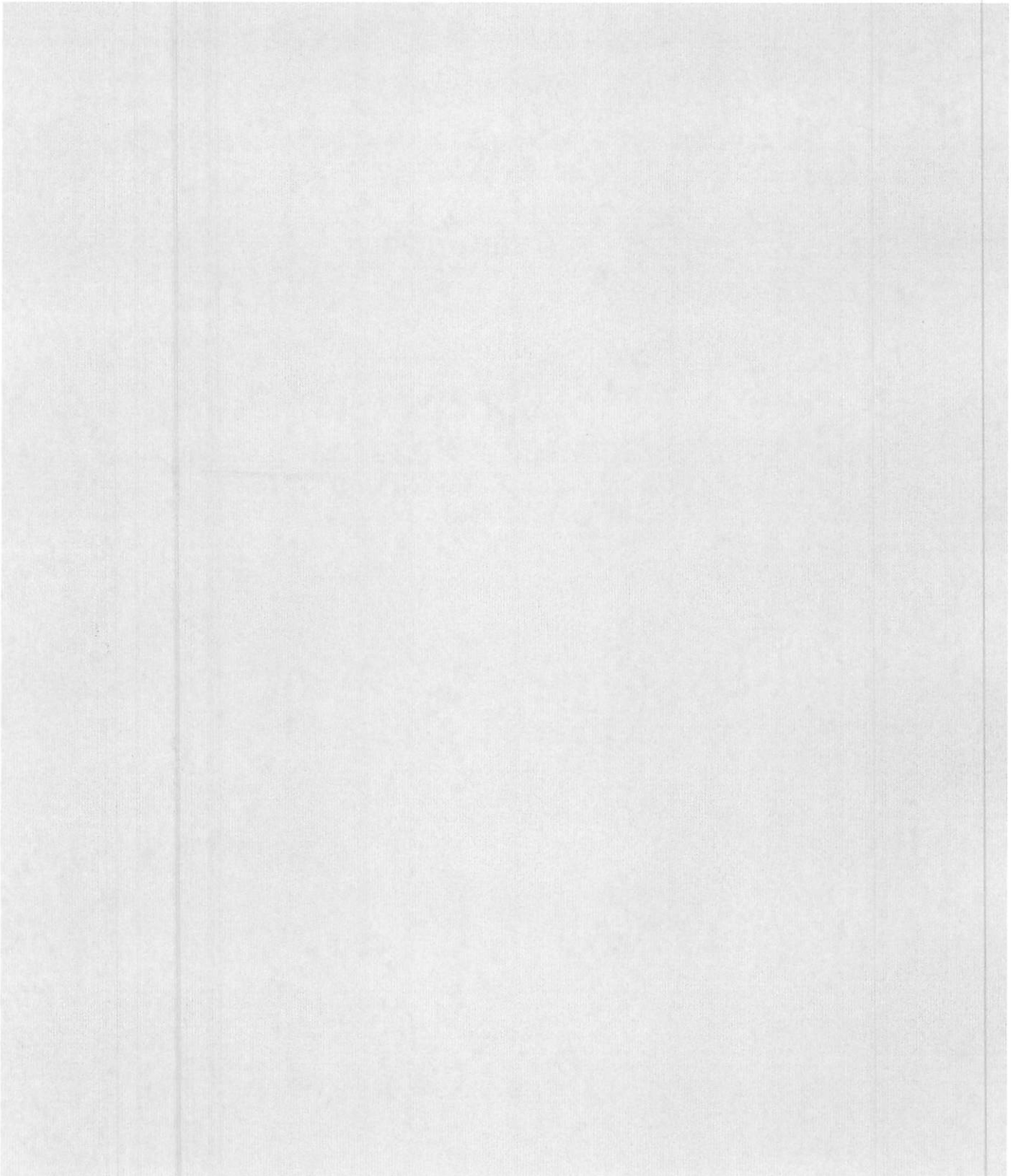
\*Total to agree with Page 2, Line 4, Current Year.

ANNUAL STATEMENT FOR THE YEAR  
FARMERS MUTUAL INSURANCE COMPANY

2013

ORGANIZATIONAL CHART

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



Supplement for the year 2013

of the FARMERS MUTUAL INSURANCE COMPANY

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 X
- If yes, do the above amounts represent
- 1)total gross compensation paid to each individual by or on behalf of all companies which are part of the group Yes
- or 2) allocation to each insurer Yes
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 X 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 X

Part 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	2	Annual Compensation			
		3	4	5	6
		Salary	Bonus	All Other Compensation	Totals
1. GREGORY W. PFEFFER SECRETARY/TREASURER/MANAGER	2013	63,604	10,000	43,288	116,892
	2012	63,604		55,905	119,509
	2011	61,207	4,000	67,736	132,943
2. CARMA J. TINCHER ASSISTANT SECRETARY/TREASURER	2013	32578	5000		37,578
	2012	32578			32,578
	2011	31350	2000		33,350
3. VALERIE L. LONG CSR	2013	30244	5000		35,244
	2012	30244			30,244
	2011	29108	2000		31,108
4.	2013				0
	2012				0
	2011				0
5.	2013				0
	2012				0
	2011				0
6.	2013				0
	2012				0
	2011				0
7.	2013				0
	2012				0
	2011				0
8.	2013				0
	2012				0
	2011				0
9.	2013				0
	2012				0
	2011				0
10.	2013				0
	2012				0
	2011				0

PART 3 - DIRECTOR COMPENSATION

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