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ASSESSMENT

FARMERS MUTUAL INSURANCE COMPANY

ANNUAL STATEMENT

For the Year Ended December 31, 2016

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

ANNUAL STATEMENT

For the Year Ended

December 31, 2016

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

Commenced Business

OCTOBER 4, 1898

Organized

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

SAMUEL KINCHELOE

LARRY PURDIN

JAMES KENDALL

State of Ohio

County of

ADAMS

STEPHEN ROCKEY

President and

FARMERS MUTUAL INSURANCE COMPANY

GREGORY W. PFEFFER

Secretary of 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 2017

Kristian Allen

Notary Public



Kristian Allen
Notary Public, State of Ohio
My Commission Expires
1-24-2018

Revised 2009

Stephen Rockey
President
Suzanne Dyer
Secretary

SEE ACCOUNTANT'S COMPILATION REPORT

Signature of Person Preparing Statement

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

2016

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)	8,615.55	0.00	8,615.55	8,643.57
3	Real estate (less liens, encumbrances) (Schedule A)	34,926.23	0.00	34,926.23	36,679.29
4	Cash (Schedule E)	1,609,580.63	0.00	1,609,580.63	1,483,137.92
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	1,653,122.41	0.00	1,653,122.41	1,528,460.78
8	Investment income due and accrued	568.63	0.00	568.63	1,029.09
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)	197,642.99	0.00	197,642.99	237,897.24
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		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	1,851,334.03	0.00	1,851,334.03	1,767,387.11
	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**

2016

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	0.00
3	Commissions due and payable to agents	7,367.96	5,190.45
4	Other expenses (excluding taxes, licenses and fees)	6,120.10	5,267.75
5	Taxes, licenses and fees (excluding federal income taxes)	636.04	573.14
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	31,569.34	31,204.04
10	Advance premium		
11	Ceded reinsurance premiums payable	16,142.98	14,752.54
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others	779.77	2,951.00
14	Provision for unauthorized reinsurance		
15	Payable to parent, subsidiaries and affiliates		
16	Aggregate write-ins for liabilities	4,457.68	0.00
17	Total liabilities	72,073.87	64,938.92
18	Surplus as regards policyholders	1,779,260.16	1,702,448.19
19	Total liabilities and surplus	1,851,334.03	1,767,387.11
	Details of Write-Ins for Liabilities:		
1601	GMRC LIABILITY PAYABLE	4,457.68	
1602			
1603			
1698	Summary or remaining write-ins from overflow page	0.00	0.00
1699	Total aggregate write-ins	4,457.68	0.00

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

2016

		Current Year	Prior Year
UNDERWRITING INCOME			
1.1	Gross Assessments/Premiums earned	703,245.22	773,361.47
1.2	Less: Return Assessments/Premiums earned	0.00	0.00
1.3	Direct Assessments/Premiums earned	703,245.22	773,361.47
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	195,106.19	178,378.50
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	0.00
1.6	Net Assessments/Premiums earned	508,139.03	594,982.97
DEDUCTIONS			
2	Losses incurred (Underwriting Exhibit - Part 2)	128,373.38	168,810.86
3	Loss expenses incurred (Expense Exhibit)	8,631.00	8,033.33
4	Other underwriting expenses incurred (Expense Exhibit)	312,559.83	291,768.86
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	449,564.21	468,613.05
7	Net underwriting gain (loss)	58,574.82	126,369.92
INVESTMENT INCOME			
8	Net investment income earned	18,978.14	20,738.67
9	Net realized capital gains (losses) less capital gains tax	0.00	0.00
10	Net investment gain (loss)	18,978.14	20,738.67
OTHER INCOME			
11	Net gain (loss) from agents' or premium balances charged off	0.00	0.00
12	Finance and service charges not included in premiums	0.00	0.00
13	Aggregate write-ins for miscellaneous income	1,737.03	626.14
14	Total other income	1,737.03	626.14
15	Net income, after capital gains tax and before federal income taxes	79,289.99	147,734.73
16	Federal income taxes incurred	2,450.00	673.00
17	Net income	76,839.99	147,061.73
SURPLUS ACCOUNT			
18	Surplus as regards policyholders, December 31 prior year	1,702,448.19	1,554,798.27
19	Net income	76,839.99	147,061.73
20	Change in net unrealized capital gains or (losses) less capital gains tax	-28.02	352.95
21	Change in net deferred income tax	0.00	0.00
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	0.00	235.24
23	Change in provision for reinsurance	0.00	0.00
24	Aggregate write-ins for gains and losses in surplus	0.00	0.00
25	Change in surplus as regards policyholders for the year	76,811.97	147,649.92
26	Surplus as regards policyholders, December 31 current year	1,779,260.16	1,702,448.19
DETAILS OF WRITE-INS			
0501		0.00	0.00
0502		0.00	0.00
0503		0.00	0.00
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301	SALVAGE INCOME	0.00	17.50
1302	OTHER INCOME	6.77	608.64
1303	GMRC COMMISSION	1,730.26	0.00
1304		0.00	0.00
1399	Total Aggregate write-ins for miscellaneous income	1,737.03	626.14
2401		0.00	0.00
2402		0.00	0.00
2499	Total Aggregate write-ins for gains and losses in surplus	0.00	0.00

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

2016

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	549,783.72	537,854.71
2	Net investment income	19,438.60	20,732.76
3	Miscellaneous income	1,737.03	626.14
4	Total	570,959.35	559,213.61
5	Benefit and loss related payments	128,373.38	167,513.05
6	Commissions, expenses paid and aggregate write-ins for deductions	316,345.01	296,685.48
7	Federal and foreign income taxes paid (recovered)	2,450.00	673.00
8	Total	447,168.39	464,871.53
9	Net cash from operations	123,790.96	94,342.08
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)	2,651.75	-3,786.65
13	Net cash from financing and miscellaneous sources	2,651.75	-3,786.65
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT- TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	126,442.71	90,555.43
15.1	Beginning of year (cash, cash equivalents and short-term investments)	1,483,137.92	1,392,582.49
15.2	End of year (cash, cash equivalents and short-term investments)	1,609,580.63	1,483,137.92

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

2016

EXPENSE EXHIBIT

		Current Year
	Claim Adjusting:	
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
	Commission and Brokerage:	
2.1	Direct commission and brokerage	90,593.05
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)	3,904.50
2.8	Net commission and brokerage	94,497.55
3	Allowances to managers and agents	0.00
4	Advertising	2,164.30
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	121,825.35
8.2	Payroll taxes	10,155.23
9	Employee relations and welfare	0.00
10	Insurance	9,534.10
11	Directors' fees	8,700.00
12	Travel and travel items	298.10
13	Rent and rent items	0.00
14	Equipment	0.00
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	13,744.59
17	Postage, telephone, exchange and express	9,613.81
18	Legal and auditing	2,081.20
19	Loss adjustment expenses	8,631.00
18	Investment expenses	0.00
19	Totals	186,747.68
	Taxes, licenses and fees:	
20.1	State and local insurance taxes	0.00
20.2	Insurance department licenses and fees	600.00
20.3	All other (excluding federal income and real estate)	1,600.00
20.4	Total taxes, licenses and fees	2,200.00
21	Real estate expenses	5,577.58
22	Real estate taxes	636.04
23	Aggregate write-ins for miscellaneous expenses	31,531.98
24	Total expenses incurred (a)	321,190.83
25	Less unpaid expenses - current year	35,267.08
26	Add unpaid expenses - prior year	30,783.88
27	Total expenses paid	316,707.63
	Details of Write-Ins:	
2301	DUES & SUBSCRIPTIONS	4,253.00
2302	MISCELLANEOUS EXPENSE	3,478.98
2303	BONUS	17,500.00
2304	CONTRACT LABOR	6,300.00
2305		0.00
2399	Total Write-ins	31,531.98

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

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

2016

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	110,880,175	1,256
2	Written during the year	5,447,450	60
3	Total	116,327,625	1,316
4	Deduct those expired and cancelled	5,244,850	76
5	In force December 31 of current year	111,082,775	1,240
6	Deduct amount reinsured	110,607,775	XXX
7	Net amount in force	475,000	XXX

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

2016

**UNDERWRITING EXHIBIT - PART 2
LOSSES INCURRED**

1 Lines of Business	2 Direct Losses Incurred	3 Losses Incurred on Reinsurance Assumed	4 Deduct: Reinsurance Recovered on Incurred Losses	5 Deduct: Salvage and Subrogation Converted To Cash	6 * Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
WIND	72,678.55				72,678.55
FIRE	23,227.76				23,227.76
LIGHTNING	2,348.64				2,348.64
EXTENDED COVERAGES	30,118.43				30,118.43
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 128,373.38	\$ -	\$ -	\$ -	\$ 128,373.38

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

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

1 Lines of Business	2 Direct Unpaid Losses	3 Unpaid Losses on Reinsurance Assumed	4 Deduct: Reinsurance Recoverable on Unpaid Losses	5 ** Unpaid Loss Adjustment Expenses	6 *** Net Unpaid Losses Columns 2 and 3 minus Column 4
FIRE	5,000.00				5,000.00
					-
					-
					-
					-
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**

2016

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	0.00	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

2016 ANNUAL STATEMENT OF FARMERS MUTUAL INSURANCE COMPANY

SCHEDULE A
Showing All Real Estate OWNED December 31 of Current Year

1	2	3	4	5 Current Year Acquisitions or Permanent Improvements	6	7	8 Book Value End of Current Year (Col. 4+5-6-7)*	9 Gross Income Current Year (Real Estate)	10 Gross Expenses Current Year (Real Estate)
Description of Property	Date Acquired	Name of Vendor	Actual Cost	Accumulated Depreciation	Amount of Encumbrances				
OFFICE BUILDING & LOT	3/12/1945	FARMERS MUTUAL INSURANCE COMPANY	58,921.63		23,995.40			34,926.23	
OVERFLOW AMOUNTS									
Totals	XXX	XXX	\$ 58,921.63	\$ -	\$ 23,995.40	\$ -	\$ 34,926.23	\$ -	\$ -

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

SCHEDULE D - PART 1

* Annual Statement Value

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

SCHEDULE D - PART 2

SCHEDULE E - 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.

** You can insert additional rows in yellow above if needed!

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.

SCHEDULE D - PART 4
Showing all Bonds and Preferred & Common Stocks SOID REDEFINED OR OTHERWISE DISPOSED OF During the Current Year

Stocks. Preferred stocks. Common stocks and mutual funds to be discussed separately.

You can insert additional rows in yellow above if needed.

Totals

10304

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 INSURANCE COMPANY	CEDED: WE CEDE ALL IN EXCESS OF OUR STOP LOSS TO GRINNELL	GRINNELL, IA	110,607,775	195,106.19	-		
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ 110,607,775	\$ 195,106.19	\$ -	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	88,415.54				10,000.00	\$ 162,019.86
2) CARMA J. TINCER	ASST. SEC/TREAS	32,578.08					5,000.00	\$ 37,578.08
3) VALERIE L. LONG	CSR	5,040.60					-	\$ 5,040.60
4) KRISTIAN ALLEN	CSR	20,750.00					2,500.00	\$ 23,250.00
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			300.00				\$ 300.00
LARRY PURDIN	DIRECTOR			1,950.00				\$ 1,950.00
GREGORY HUFF	DIRECTOR			1,800.00				\$ 1,800.00
JAMES KENDALL	DIRECTOR			750.00				\$ 750.00
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
Totals	XXXX	\$ 121,973.00	\$ 88,415.54	\$ -	\$ 8,700.00	\$ -	\$ 17,500.00	\$ 236,588.54

GENERAL INTERROGATORIES

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

1. Company's retention:	Fire	\$50,000	Wind	\$50,000	Other	\$50,000	
1a. Retention before reinsurance applies for:	Catastrophe Reinsurance		Aggregate excess of loss		X		
2. What is the largest risk assumed and retained:	\$475,000						
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?	NO		If so, were such amendments filed with the Ohio Department of Insurance?				
5. In what counties does the Company operate:	MAINLY 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?	Yes <input checked="" type="checkbox"/>		No <input type="checkbox"/>		State the name and amount of each bond on each, except person named in Item 6 above.		
CARMA TINCHER & KRISTIAN ALLEN - COVERED UNDER SAME \$250,000 BOND AS GREGORY PFEFFER							
8. Does the Company have an annual audit conducted by an independent CPA?	NO <input type="checkbox"/>						
9. State the number of members holding policies in the Company.	800 <input type="checkbox"/>						
10. Was an annual report of the Company made available to each policyholder?	YES <input type="checkbox"/>		If so, did such report agree with the annual statement 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.	12/31/2013 <input type="checkbox"/>						
12. How many assessments were made during the year?	1 PER POLICY <input type="checkbox"/>	Date of last assessment		AT POLICY ANNIVERSARY <input type="checkbox"/>			
13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?	YES <input type="checkbox"/>						
14. Rate of policy fee	\$100/YEAR <input type="checkbox"/>						
15. State the amount of borrowed money since date of last assessment	0 <input type="checkbox"/>		interest thereon		0 <input type="checkbox"/>		
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 <input type="checkbox"/>		No <input checked="" type="checkbox"/>				
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**

2016

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:				
CASH ON HAND				250.00
FIRST STATE BANK, WINCHESTER, OH	0.120%	1,071.83	0.00	559,330.63
ADAMS CO BUILDING & LOAN, WEST UNION, OH	1.000%	1,123.59	8.22	100,000.00
FIRST STATE BANK, WINCHESTER, OH	1.500%	744.27	0.00	50,000.00
FIRST STATE BANK, WINCHESTER, OH	1.500%	744.27	0.00	50,000.00
FIRST STATE BANK, WINCHESTER, OH	1.900%	2,984.50	130.14	100,000.00
FIRST NBC BANK, NEW ORLEANS, LA	1.880%	917.50	0.00	100,000.00
NATIONAL BANK OF ADAMS COUNTY, WEST UNION, OH	1.500%	1,881.24	15.41	125,000.00
NATIONAL BANK OF ADAMS COUNTY, WEST UNION, OH	1.500%	1,881.24	15.41	125,000.00
NATIONAL COOPERATIVE BANK, HILLSBORO, OH	1.500%	2,179.46	123.29	100,000.00
PEOPLES BANK, HILLSBORO, OH	1.400%	702.05	46.03	50,000.00
RIPLEY FEDERAL SAVINGS BANK, RIPLEY, OH	1.400%	1,403.81	92.05	100,000.00
RIPLEY FEDERAL SAVINGS BANK, RIPLEY, OH	1.400%	3,804.84	138.08	150,000.00
OVERFLOW AMOUNTS	xxxx	0.00	0.00	0.00
Total	xxxx	\$ 19,438.60	\$ 568.63	\$ 1,609,580.63

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

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

2016

ORGANIZATIONAL CHART

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

NONE

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
or 2) allocation to each insurer Yes 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
		Salary	Bonus	All Other Compensation	Totals
1.	GREGORY W. PFEFFER SECRETARY/TREASURER/MANAGER	2016	63,604	10,000	88,416
		2015	63,604	5,000	62,285
		2014	63,604		48,946
2.	CARMA J. TINCER ASSISTANT SECRETARY/TREASURER	2016	32,578	5,000	
		2015	32,578	2,500	
		2014	32,578		
3.	VALERIE L. LONG CSR	2016	5,041		5,041
		2015	30,244	2,500	32,744
		2014	30,244		30,244
4.	KRISTIAN ALLEN CSR	2016	20,750	2,500	
		2015			0
		2014			0
5.		2016			0
		2015			0
		2014			0
6.		2016			0
		2015			0
		2014			0
7.		2016			0
		2015			0
		2014			0
8.		2016			0
		2015			0
		2014			0
9.		2016			0
		2015			0
		2014			0
10.		2016			0
		2015			0
		2014			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	300		300
4.	LARRY PURDIN-DIRECTOR	1,950		1,950
5.	GREGORY HUFF-DIRECTOR	1,800		1,800
6.	JAMES KENDALL - DIRECTOR	750		750
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