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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2010

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2010 calendar year, or tax year beginning		, 2010, and ending		, 20	
B Check if applicable:		C Name of organization		D Employer identification number	
<input type="checkbox"/> Address change		Rice County Mutual Insurance Company		41-0502642	
<input type="checkbox"/> Name change		Doing Business As		E Telephone number	
<input type="checkbox"/> Initial return		Number and street (or P O box if mail is not delivered to street address)		(507) 334-8145	
<input type="checkbox"/> Terminated		23 Third Street Northwest			
<input type="checkbox"/> Amended return		City or town, state or county, and ZIP + 4			
<input type="checkbox"/> Application pending		Fanbault MN 55021-5117		G Gross receipts \$ 823,402	
I Tax-exempt status		F Name and address of principal officer Howard Schoenfeld-President 5811 NW 86th Street, Faribault MN 55021		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> 501(c)(3)		<input checked="" type="checkbox"/> 501(c)(15) (insert no)		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
J Website: ► None				If "No," attach a list. (see instructions)	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		L Year of formation 1895		H(c) Group exemption number ►	
M State of legal domicile MN					

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities The organization writes fire and additional lines insurance coverages and pays claims on covered policyholder losses per IRC Section 501(c)(15)		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	3	5
	3 Number of voting members of the governing body (Part VI, line 1a)	4	4
	4 Number of independent voting members of the governing body (Part VI, line 1b)	5	1
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	6	0
	6 Total number of volunteers (estimate if necessary)	7a	0
	7 a Total gross unrelated business revenue from Part VIII, column (C), line 12	7b	0
	b Net unrelated business taxable income from Form 990-T, line 34		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	
	9 Program service revenue (Part VIII, line 2g)	Current Year	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	342,330	358,959
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	123,695	135,224
	12 Total revenue--add lines 8 through 11 (must equal Part VIII, column (A), line 12)	466,025	494,183
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	20,287	91,588
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	68,647	77,845
	16 a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ►		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	128,325	118,229
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	217,259	287,662
19 Revenue less expenses. Subtract line 18 from line 12	248,766	206,521	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) OGIBEN, UT	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	2,679,585	2,890,343
	22 Net assets or fund balances. Subtract line 21 from line 20	176,222	180,422
	2,503,363	2,709,921	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here	Donald O'Neil	Date 13-11-2011
	Signature of officer	
	Donald O'Neil MGR. & Treasurer	
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name James Williams, CPA	Preparer's signature James R. Williams	Date 3/7/2011	Check <input type="checkbox"/> if self-employed	PTIN P00737655
	Firm's name ► Jim Barta CPA PA		Firm's EIN ► 20-1991134		
	Firm's address ► 401 Sherman St, PO Box 1879, N Mankato, MN 56002-1879		Phone no (507) 625-4245		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

P J 2

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission

The Company provides fire and additional lines insurance coverages to policyholders/members and pays claims on covered policyholder losses.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4 a (Code _____) (Expenses \$ 118,229 including grants of \$ _____) (Revenue \$ 494,183)

We have provided property insurance for our members per section 501(c)(15)

Number of Members: 647

Insurance in Force 266,009,928

4 b (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4 c (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4 d Other program services (Describe in Schedule O)

(Expenses \$ _____ including grants of \$ _____)

) (Revenue \$ _____)

4 e Total program service expenses ► 118,229

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	X
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	X
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11	If the organization's answer to any of the following questions is "Yes" then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X
b	Did the organization report an amount for investments--other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	X
c	Did the organization report an amount for investments--program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	X
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a	X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20 a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	X
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	N/A

Part IV **Checklist of Required Schedules (continued)**

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25	24a	X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	N/A
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	N/A
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	N/A
25 a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	N/A
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b	N/A
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	X

Part V Statements Regarding Other IRS Filings and Tax Compliance
 Check if Schedule O contains a response to any question in this Part V

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a 1b	4 0
1 b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return	2a	1
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		X
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
3 b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	N/A
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
4 b	If "Yes," enter the name of the foreign country See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
5 c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	N/A
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
6 b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	N/A
7	Organizations that may receive deductible contributions under section 170(c).	7a	X
7 a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	N/A
7 b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	X
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
7 d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	X
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	X
7 f	If "Yes," did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	N/A
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	N/A
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	N/A
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	X
9	Sponsoring organizations maintaining donor advised funds.	9b	X
10	Section 501(c)(7) organizations. Enter	10a	
10 a	Initiation fees and capital contributions included on Part VIII, line 12	10b	
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	11a	
11	Section 501(c)(12) organizations. Enter	11b	
11 a	Gross income from members or shareholders	12a	N/A
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	12b	
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	13a	N/A
12 b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	13b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	13c	
13 a	Is the organization licensed to issue qualified health plans in more than one state?		
13 b	Note. See the instructions for additional information the organization must report on Schedule O.		
13 c	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
14 a	Enter the amount of reserves on hand	14a	X
14 b	Did the organization receive any payments for indoor tanning services during the tax year?	14b	N/A
14 c	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1 a	Enter the number of voting members of the governing body at the end of the tax year	1a 5	
b	Enter the number of voting members included in line 1a, above, who are independent	1b 4	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7 a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:	8a	X
a	The governing body?	8b	X
b	Each committee with authority to act on behalf of the governing body?	9	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10 a	Does the organization have local chapters, branches, or affiliates?	10a	X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	N/A
11 a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.	12a	X
12 a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12b	N/A
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12c	N/A
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	13	X
13	Does the organization have a written whistleblower policy?	14	X
14	Does the organization have a written document retention and destruction policy?	15	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?	15a	X
a	The organization's CEO, Executive Director, or top management official	15b	X
b	Other officers or key employees of the organization	16a	X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)	16b	N/A
16 a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed	►	None
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply		
	<input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request		
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.		
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► Donald O'Neil, 23 Third Street Northwest, Faribault MN 55021-5117		

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

 Check if Schedule O contains a response to any question in this Part VII
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		or director	Individual trustee	Institutional trustee	Officer	Key employee			
(1) Howard Schoenfeld-President	Part-Time	X		X			902		
(2) Orville Wegner-Vice-President	Part-Time	X		X			375		
(3) Allen Ross-Secretary	Part-Time	X		X			1,020		
(4) Jeff La Canne-Director	Part-Time	X					240		
(5) Robert Heine-Director	Part-Time	X					31,384		6,600
(6) Donald O'Neil-Manager	Part-Time			X	X	X	23,406		1,169
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)				(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations		
		or director	Individual trustee	Institutional trustee	Officer	Key employee	Highest compensated employee	Former		
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
(26)										
(27)										
(28)										
1b Sub-total							►	0	0	0
c Total from continuation sheets to Part VII, Section A							►	57,327	0	7,769
d Total (add lines 1b and 1c)							►	57,327	0	7,769

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ►

		Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	►	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	►	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	►	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
None		
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►		

Part VIII Statement of Revenue

		(A) Total Revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns b Membership dues c Fundraising events d Related organizations e Government grants (contributions) f All other contributions, gifts, grants, and similar amounts not included above g Noncash contributions included in lines 1a-1f \$ h Total. Add lines 1a-1f ►	1a 1b 1c 1d 1e 1f 0			
Program Service Revenue	2 a Premium Income b c d e f All other program service revenue g Total. Add lines 2a-2f ►	Business Code 524126 0 0 0 0 0 358,959	358,959		
	3 Investment income (including dividends, interest, and other similar amounts) ►	128,290	128,290		
	4 Income from investment of tax-exempt bond proceeds ►	0			
	5 Royalties ►	0			
	6 a Gross Rents b Less: rental expenses c Rental income or (loss) d Net rental income or (loss) ►	(i) Real 322,285 329,219 6,934	(ii) Personal 0		
	7 a Gross amount from sales of assets other than inventory b Less: cost or other basis and sales expenses c Gain or (loss) d Net gain or (loss) ►	(i) Securities 322,285 329,219 6,934	(ii) Other 0	6,934	6,934
Other Revenue	8 a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a b Less: direct expenses b c Net income or (loss) from fundraising events ►		0		
	9 a Gross income from gaming activities. See Part IV, line 19 a b Less: direct expenses b c Net income or (loss) from gaming activities ►		0		
	10 a Gross sales of inventory, less returns and allowances a b Less: cost of goods sold b c Net income or (loss) from sales of inventory ►		0		
	Miscellaneous Revenue	Business Code			
	11 a b c d All other revenue e Total. Add lines 11a-11d ►	0 0 0 0 0	494,183	494,183	0 0
	12 Total Revenue. See instructions. ►				

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	91,588			
5 Compensation of current officers, directors, trustees, and key employees	65,096			
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	11,400			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	0			
10 Payroll taxes	1,349			
11 Fees for services (non-employees).				
a Management				
b Legal				
c Accounting	5,920			
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	2,004			
13 Office expenses	8,748			
14 Information technology				
15 Royalties				
16 Occupancy	557			
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,202			
20 Interest	0			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	37			
23 Insurance	4,109			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a State Taxes & Fees	4,370			
b Commissions	16,477			
c Adjusting and Inspecting	33			
d Reinsurance Premium	66,340			
e Real Estate Expense	0			
f All other expenses Change in UEP	8,432			
25 Total functional expenses. Add lines 1 through 24f	287,662			
26 Joint Costs. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	25,960	1	17,346
	2 Savings and temporary cash investments	33,751	2	34,836
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		5	
	7 Notes and loans receivable, net		6	
	8 Inventories for sale or use		7	
	9 Prepaid expenses and deferred charges		8	
	10 a Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a		
	b Less accumulated depreciation	10b	0	10c
	11 Investments--publicly traded securities	2,596,569	11	2,767,840
	12 Investments--other securities. See Part IV, line 11		12	
	13 Investments--program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	23,305	15	40,321
	16 Total assets. Add lines 1 through 15 (must equal line 34)	2,679,585	16	2,890,343
Liabilities	17 Accounts payable and accrued expenses	2,525	17	2,151
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	173,697	25	178,271
	26 Total liabilities. Add lines 17 through 25	176,222	26	180,422
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds	2,503,363	32	2,709,921
	33 Total net assets or fund balances	2,503,363	33	2,709,921
	34 Total liabilities and net assets/fund balances	2,679,585	34	2,890,343

Part XI**Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	494,183
2	Total expenses (must equal Part IX, column (A), line 25)	2	287,662
3	Revenue less expenses Subtract line 2 from line 1	3	206,521
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,503,363
5	Other changes in net assets or fund balances (explain in Schedule O)	5	37
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,709,921

Part XII**Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input type="checkbox"/> Other <u>Statutory</u> If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2 a	Were the organization's financial statements compiled or reviewed by an independent accountant?	X	
2 b	Were the organization's financial statements audited by an independent accountant?		X
2 c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
2 d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3 a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	N/A	
3 b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	N/A	

SCHEDULE D
(Form 990)**Supplemental Financial Statements**

OMB No 1545-0047

2010Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service

Name of the organization

Rice County Mutual Insurance Company

Employer identification number

41-0502642

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year) .		
3 Aggregate grants from (during year) . .		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of an historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	
a Total number of conservation easements	
b Total acreage restricted by conservation easements	
c Number of conservation easements on a certified historic structure included in (a)	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►	
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
(i) Revenues included in Form 990, Part VIII, line 1 ► \$
(ii) Assets included in Form 990, Part X ► \$
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
a Revenues included in Form 990, Part VIII, line 1 ► \$
b Assets included in Form 990, Part X ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other _____
c <input type="checkbox"/> Preservation for future generations	

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Term endowment ► %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
3a(i)		
3a(ii)		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land					
b Buildings					
c Leasehold improvements					
d Equipment					
e Other					

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ►

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Unpaid Losses	1,053
(3) Unearned Premium	177,218
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	178,271

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1
2 Total expenses (Form 990, Part IX, column (A), line 25)	2
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3
4 Net unrealized gains (losses) on investments	4
5 Donated services and use of facilities	5
6 Investment expenses	6
7 Prior period adjustments	7
8 Other (Describe in Part XIV.)	8
9 Total adjustments (net). Add lines 4 through 8	9
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1 Total revenue, gains, and other support per audited financial statements	1
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a Net unrealized gains on investments	2a
b Donated services and use of facilities	2b
c Recoveries of prior year grants	2c
d Other (Describe in Part XIV.)	2d
e Add lines 2a through 2d	2e
3 Subtract line 2e from line 1	3
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a Investment expenses not included on Form 990, Part VIII, line 7b	4a
b Other (Describe in Part XIV.)	4b
c Add lines 4a and 4b	4c
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1 Total expenses and losses per audited financial statements	1
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a Donated services and use of facilities	2a
b Prior year adjustments	2b
c Other losses	2c
d Other (Describe in Part XIV.)	2d
e Add lines 2a through 2d	2e
3 Subtract line 2e from line 1	3
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a Investment expenses not included on Form 990, Part VIII, line 7b	4a
b Other (Describe in Part XIV.)	4b
c Add lines 4a and 4b	4c
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

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Part XIV Supplemental Information (continued)

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
► Attach to Form 990

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization
Rice County Mutual Insurance Company

Employer identification number
41-0502642

Part VI:

Line 6: The Company has policyholders who are also the owners of the Company. It is a mutual company.

Line 7a: The policyholders/owners elect the board members and officers.

Line 11: The Company hires a CPA firm to complete the Form 990. When the firm is finished preparing the form,
it is reviewed by Company management and staff before filing. The form is then filed by Company management.

Line 15 a&b: Compensation is determined by the number of meetings attended by the board member. The board
determines management and staff salaries based on experience and qualifications.

Line 19: Financial and governing documents are available to the public upon request.

Part XI:

Line 5: Change in non-admitted assets

Part XII:

Line 1: Correct accounting method is Statutory. Accrual was listed in prior year but Statutory is correct.

Name of the organization

Rice County Mutual Insurance Company

Employer identification number

41-0502642

Rice County Mutual Insurance Company

41-0502642

**FORM 990-RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
MODIFICATION OF GROSS RECEIPTS PER IRS NOTICE 2006-42**

December 31, 2010

The filing of this Form 990 has been prepared in accordance with guidance provided by IRS Notice 2006-42 (copy attached).

Gross Receipts as computed in accordance with the instructions to Form 990 (Page 1, Item G), has been modified pursuant to IRS Notice 2006-42 in determining the organizations status as exempt from corporate income taxes. The applicable computation of Gross Receipts is shown below:

Gross Receipts per Form 990, Page 1, Item G 823,402

Modification per IRS Notice 2006-42:

Form 990, Page 9, Line 7A, (329,219)

Gross Receipts per IRS Notice 2006-42 494,183

(Amount meets the \$600,000 limitation)

Premium Income per Form 990, Page 1, Line 9 358,959
Gross Receipts per IRS Notice 2006-42 From Above 494,183 = 72.6%
(Amount meets the more than 50% premium income test)

Attachment to Form 990

Schedule 1

Rice County Mutual Insurance Company

EIN 41-0502642

FORM 990-RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX

December 31, 2010

Internal Revenue Service Notice 2006-42

Part III - Administrative, Procedural, and Miscellaneous

Determination of Gross Receipts for Purposes of Section 501(c)(15)

Notice 2006-42

SECTION 1. PURPOSE

This notice provides guidance as to the meaning of "gross receipts" for purposes of § 501(c)(15)(A) of the Internal Revenue Code.

SECTION 2. BACKGROUND

Section 501(a) of the Code provides generally that an organization described in § 501(c) shall be exempt from federal income taxation. An insurance company (as defined in § 816(a)), other than a life insurance company, is described in § 501(c)(15), and is therefore exempt from income tax under § 501(a), if its gross receipts for the taxable year do not exceed \$600,000 and more than 50 percent of those gross receipts consist of premiums. Section 501(c)(15)(A)(i). A non-life mutual insurance company not meeting the requirements of the previous sentence is nonetheless described in § 501(c)(15) if its gross receipts for the taxable year do not exceed \$150,000 and more than 35 percent of those gross receipts consist of premiums. Section 501(c)(15)(A)(ii). Amounts received by all members of the insurance company's controlled group (as defined in section 501(c)(15)(C)) are taken into account for purposes of these tests.

Section 501(c)(15)(B).

The gross receipts and percentage of income from premium requirements described above were added to the Code in 2004 by § 206 of the Pension Funding Equity Act, Pub. L. No. 108-218 (the "Act"). The legislative history of the Act states that "it is intended that the provision not permit the use of small companies . . . to shelter investment income". H.R. Conf. Rep. 108-457, at 48 (2004).

FORM 990-RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
December 31, 2010

Internal Revenue Service Notice 2006-42

SECTION 3. DETERMINATION OF GROSS RECEIPTS

This notice advises taxpayers that the Service will include amounts received from the following sources during the taxable year in "gross receipts" for purposes of § 501(c)(15)(A):

- A. Premiums (including deposits and assessments), without reduction for return premiums or premiums paid for reinsurance;
- B. Items described in § 834(b) (gross investment income of a non-life insurance company); and
- C. Other items that are properly included in the taxpayer's gross income under subchapter B of chapter 1, subtitle A, of the Code.

Thus, gross receipts include both tax-free interest and the gain (but not the entire amount realized) from the sale or exchange of capital assets, because those items are described in § 834(b). Gross receipts do not, however, include amounts other than premium income or gross investment income unless those amounts are otherwise included in gross income. Accordingly, the term gross receipts does not include contributions to capital excluded from gross income under § 118, or salvage or reinsurance recovered accounted for as offsets to losses incurred under § 832(b)(5)(A)(i).

SECTION 4. DRAFTING INFORMATION

The principal author of this notice is Sarah R. Katz of TE/GE Division, Exempt Organizations. For further information regarding this notice, contact Ms. Katz at (202) 283-8934 (not a toll-free call).

Annual Statement
For the Year Ended December 31, 2010
Of The Financial Condition and Affairs Of The

Rice County Mutual Insurance Company
(Corporate Name of Insurer)

Filed with the Minnesota Department of Commerce pursuant to Minnesota Statutes Chapter 67-A

Incorporated	<u>03/25/1895</u>	Commenced Business	<u>03/25/1895</u>	Date of Annual Meeting	<u>2/16/2011</u>
Main Administrative Office	<u>23 Third Street Northwest, Fanbault MN 55021-5117</u>				
Business Telephone	<u>(507) 334-8145</u> (Area Code) Telephone #				
Fax Telephone	<u>(507) 334-0544</u> (Area Code) Telephone #				
E-Mail Address	<u>ricecountymutual@qwestoffice.net</u>				

Officers

President	<u>Howard Schoenfeld</u>	Vice-President	<u>Orville Wegner</u>
Secretary	<u>Allen Ross</u>	Manager or Administrative	
Treasurer	<u>Donald O'Neil</u>	Executive	<u>Donald O'Neil</u>

Directors

Name	(Street, City, State, Zip)	From	To
Howard Schoenfeld	<u>5811 NW 86th Street, Fanbault MN 55021</u>	<u>Feb-09</u>	<u>Feb-12</u>
Orville Wegner	<u>1381 250th Street West, Fanbault MN 55021-8415</u>	<u>Feb-08</u>	<u>Feb-11</u>
Allen Ross	<u>11840 Falls Trail, Lonsdale MN 55046-4471</u>	<u>Feb-08</u>	<u>Feb-11</u>
Jeff La Canne	<u>19146 Roberts Lake Boulevard, Fanbault MN 55021-8512</u>	<u>Feb-10</u>	<u>Feb-13</u>
Robert Heine	<u>20305 Cedar Lake Path, Mornstown MN 55052-5070</u>	<u>Feb-09</u>	<u>Feb-12</u>

State of Minnesota

County of Rice

Pursuant to the laws of Minnesota, and the rules and regulations amendatory thereto, the President, Secretary, and Treasurer or Chief Financial Officer of this Company, being duly sworn, each deposes and says that they are the above described officers of the said insurer, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the said insurer, free and clear from any liens or claims thereon except as herein stated, and that this annual statement, together with the related exhibits, schedules, and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities of the condition and affairs of the said insurer as of the thirty-first day of December last, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge, and belief, respectively

Subscribed and sworn to before me this
day of _____

President

NOTARY PUBLIC SEAL

Secretary

Treasurer

Print name, business address, and telephone number of person who prepared this statement

Jim Barta CPA, PO Box 1879, North Mankato MN 56002-1879 (507) 625-4245

Name	Address	City, State, Zip Code	(Area Code)Telephone #
Firm Name and Address	<u>Jim Barta CPA 401 Sherman Street, PO Box 1879 North Mankato MN 56002-1879</u>		

1/16/2011
Signature of Person Preparing Statement / Date

Rice County Mutual Insurance Company

Admitted Assets

		1 Current Year	2 Prior Year
1	Cash in company's office Exh 9, Ln 1, Col 4	-	-
2	Cash deposited in checking account Exh 9, Ln 2, Col 4	47,346	25,960
3	Cash deposited at interest Exh 9, Ln 3, Col 4	917,083	905,733
4	Guarantee fund certificates Exh 9, Ln 4, Col 4	70,000	80,000
5	Bonds (at amortized cost) Exh 9, Ln 5, Col 4	1,705,685	1,547,067
6	Investment company shares Exh 9, Ln 6, Col 4	108,408	96,021
7	Common stock Exh 9, Ln 7, Col 4	1,500	1,500
8	Mortgage loans on real estate Exh 9, Ln 8, Col 4	-	-
9	Real Estate (cost less accumulated depreciation and encumbrances) Exh 9, Ln 9, Col 4	-	-
10	Agents' balances or uncollected premiums Exh 9, Ln 10, Col 4	5,524	6,884
11	Investment income due or accrued Exh 9, Ln 11, Col 4	19,699	13,966
12	Unpaid assessments receivable (under 90 days past due) Exh 9, Ln 12, Col 4	-	-
13	Reinsurance recoverable on paid losses Exh 9, Ln 13, Col 4	10,000	-
14	Electronic data processing equipment-excluding software - (cost less accumulated depreciation) - Exh 9, Ln 14, Col 4	-	-
15	Funds due from reinsurance (other than losses) Exh 9, Ln 15, Col 4	185	513
16	Federal tax refund receivable Exh 9, Ln 16, Col 4	-	-
17	Premium tax refund receivable Exh 9, Ln 17, Col 4	-	113
18	Accounts receivable	463	1,828
19	Reinsurance premium overpayment	4,450	-
20		-	-
21		-	-
22	Rounding	-	-
23	Total Admitted Assets (Must agree with Pg 3, Ln 18)	2,890,343	2,679,585

Liabilities and Policyholders' Surplus

		1 <u>Current Year</u>	2 <u>Prior Year</u>
1	<u>Net losses unpaid - Exh. 5</u>	1,053	4,093
2	<u>Net expenses unpaid - Exh. 8</u>	1,484	2,119
3	<u>Unearned premiums - Exh. 3</u>	177,218	168,786
4	<u>Borrowed money unpaid</u>	-	-
5	<u>Funds payable on reinsurance (other than losses)</u>	-	818
6	<u>Federal income taxes payable</u>	-	-
7	<u>Amounts withheld for the account of others</u>	667	403
8	<u>Accounts payable-agency</u>	-	-
9	<u>Rounding</u>	-	3
10		-	-
11		-	-
12		-	-
13		-	-
14		-	-
15		-	-
16	<u>Total Liabilities</u>	180,422	176,222
17	<u>Total Policyholders' Surplus</u>	2,709,921	2,503,363
18	Total liabilities and policyholders' surplus	2,890,343	2,679,585

Statement of Income

	<u>Underwriting Income</u>	1 Current Year	2 Prior Year
1	Net premiums earned - Exh. 3, Col. 9	284,187	278,175
2	Net assessments earned - Exh. 4, Col. 9	-	-
3	Total premiums and assessments (Ln. 1 + Ln. 2)	284,187	278,175
	Deductions		
4	Net losses incurred - Exh. 5, Col. 9	91,589	20,287
5	Operating expenses incurred - Exh. 8, Ln. 25, Col. 4	120,893	118,796
6	Total losses and expenses (Ln. 4 + Ln. 5)	212,482	139,083
	Net Underwriting Gain (loss) (Ln. 3 minus Ln. 6)	(A) 71,705	139,092
	Investment Income		
7	Net investment income earned - Exh. 1, Ln. 10, Col. 5	127,882	113,161
8	Net realized capital gains or (losses) - Exh. 2, Ln. 8, Col. 3	6,934	10,211
9	Net Investment Gain or (loss) (Ln. 7 + Ln. 8)	(B) 134,816	123,372
	Other Income		
10			
11			
12			
13	Rounding	-	-
14	Total Other Income or (loss)	(C) -	-
15	Net income (loss) before income taxes (A + B + C)	206,521	262,464
16	Federal income taxes incurred*	-	-
17	Net Income (to Ln. 19)	206,521	262,464

*Federal income tax paid in the current year plus federal income tax payable (Pg. 3, Ln. 6, Col. 1) minus federal income tax payable previous year (Pg. 3, Ln. 6, Col. 2)

Policyholders' Surplus Account

18	Policyholders' surplus, December 31, previous year	2,503,363	2,240,825
Gains and (Losses) in Surplus			
19	Net income (from Ln. 17)	206,521	262,464
20	Change in non-admitted assets Exh. 10, Ln. 18, Col. 3	37	74
21	Net unrealized capital gains or losses Exh. 2, Ln. 8, Col. 4	-	-
22			
23			
24			
25	Change in policyholders' surplus for the year	206,558	262,538
26	Policyholders' surplus, December 31, current year	2,709,921	2,503,363

Exhibit 1
Investment Income Earned

	1 Received During Year Less Paid for Accrued on Purchases	2 Amortization(-) of Bond Premium or Accrual (+) of Bond Discount	3 Income Due and Accrued December 31 Current Year	4 Income Due and Accrued December 31 Prior Year	5 Investment Income Earned (Col. 1 + or - Col. 2 + Col. 3 Less Col. 4)
1 Cash on deposit	26,196		7,120	7,249	26,067
2 Guarantee fund certificates	3,800		-	-	3,800
3 Schedule C					
4 Bonds	88,875	3,042	12,579	6,717	97,779
5 Schedule D, Part 1 + Part 2					
6 Investment company shares	647		-	-	647
7 Schedule E, Part 1 + Part 2					
8 Common stock					
9 Schedule F, Part 1 + Part 2					
10 Mortgage loans					
11 Schedule G					
12 Real estate					
13 Schedule H					
14 Totals	119,518	3,042	19,699	13,956	128,923
			<i>Exh 9, Ln 11, Col 2</i>	<i>Pg 2, Ln 11, Col 2</i>	
15 Total investment expense incurred (Exh. 8, Ln. 31, Col 4)					411
16 Net investment income earned (Ln. 8 minus Ln 9)					127,882

9 Total investment expense incurred (Exh. 8, Ln. 31, Col 4)

10 Net investment income earned (Ln. 8 minus Ln 9)

<i>Pg 4, Ln 7, Col 1</i>
<i>Pg 4, Ln 7, Col 1</i>

Exhibit 2
Capital Gains and Losses on Investments

	1 Profit on Sales or Maturity	2 Losses on Sales or Maturity	3 Net Gain or Loss[-] (Col. 1 minus Col. 2)	4 Net Gain or Loss [-] From Change in or Difference Between Book Value or Admitted Assets
1 Bonds	6,934	-	6,934	-
2 Guarantee fund certificates		0		
3 Mortgage loans		0		
4 Real estate	-	0		
5 Investment company shares	-	0		
6 Common stock	-	0		
7 Other gains and losses - explain				
8 Totals		6,934	0	6,934

Pg 4, Ln 8, Col 1

Pg 4, Ln 21, Col 1

2010 Annual Report of the
Rice County Mutual Insurance Company

**Exhibit 8
Expenses**

	1	2	3	4
Operating Expenses	Paid During Year	Unpaid Dec 31 Current Year	Unpaid Dec 31 Prior Year	Incurred Current Year Col 1+2-3
1 Advertising	2,004	-	-	2,004
2 Boards, bureaus and associations	3,674	-	-	3,674
3 Commissions	53,559	939	1,032	53,466
3a Less commissions on reinsurance	(3,364)			(3,364)
3b Less commissions on general agency	-			-
4 Contributions	-			-
5 Conventions, meetings and education	1,547			1,547
6 Directors fees	3,917			3,917
7 Employee benefits	4,031	-	-	4,031
8 Inspection and loss prevention	187	-	-	187
9 Insurance and bonding	4,109	-	-	4,109
10 Interest expense on borrowed money	-			-
11 Legal and auditing	6,632	-	712	6,920
12 Loss adjustment expense	-			-
13 Office equipment and maintenance	-			-
14 Payroll taxes	1,345	379	375	1,349
15 Postage, telephone and exchange	3,620	-	-	3,620
16 Printing and stationery	1,045	-	-	1,045
17 Rent and lease expense	6,600			6,600
18 Salaries	15,600			15,600
19 State taxes and fees	4,204	166	-	4,370
20 Travel and travel items	824	-	-	824
21 Utilities	557	-	-	557
22 Depreciation on furniture and fixtures	37			37
23 Leased office staff	11,400	-	-	11,400
24	-			-
25 Total - Operating Expenses	121,528	1,484	2,119	120,893
Investment Expenses				
26 Interest on real estate encumbrances	-			-
27 Depreciation on real estate	-			-
28 Property tax on real estate	-			-
29 Miscellaneous real estate expenses	-			-
30 Miscellaneous investment expenses	411			411
31 Total Investment Expenses	411	-	-	411
32 Total Expenses	121,939	1,484	2,119	120,894

Pg 12, Exh 11,
Ln 13

Pg 3, Ln 2,
Col 1

Pg 3, Ln 2,
Col 2

* Total Operating Expenses Incurred Ln 25, Col 4 to Pg 4, Ln 5, Col 1

** Total Investment Expenses Incurred Ln 31, Col 4 to Exh 1, Ln 9, Col 5

Exhibit 9
Analysis of Assets

	1	2	3	4
	Ledger Assets	Non-Ledger Assets	Assets Not Admitted	Net Admitted Assets (Col. 1 + 2 - 3)
1 Cash in company's office	-	-	-	47,346
2 Cash deposited in checking accounts - Schedule A, Total, Col. 6	47,346	-	-	47,346
3 Cash deposited at interest - Schedule B, Total, Col. 8	917,083	-	-	917,083
4 Guarantee fund certificates - Schedule C, Total, Col. 7	70,000	-	-	70,000
5 Bonds (at amortized cost) - Schedule D-Part 1, Total, Col. 8	1,705,685	-	-	1,705,685
6 Investment company shares - Schedule E-Part 1, Total, Col. 5	108,408	-	-	108,408
7 Common stock - Schedule F-Part 1, Total, Col. 5	1,500	-	-	1,500
8 Mortgage loans on real estate - Schedule G, Total, Col. 5	-	-	-	-
9 Real estate (cost less accumulated depreciation and encumbrances) Schedule H-Part 1, Total, Col. 7	-	-	-	-
10 **Agents' balances or uncollected premiums	5,524	19,699	-	5,524
11 Investment income due and accrued - Exh. 1, Total, Col. 3	-	-	-	19,699
12 **Unpaid assessments receivable - Exh. 4, Total, Col. 7	-	-	-	-
13 Reinsurance recoverable on losses paid - Exh. 5, Total, Col. 5	10,000	-	-	10,000
14 Electronic data processing equipment (cost less depreciation)	-	-	-	-
15 Funds due from reinsurance (other than losses) - Exh. 7, Total, Col. 4	185	-	-	185
16 Federal tax refund receivable	-	-	-	-
17 Premium tax refund receivable	-	-	-	-
18 Furniture, fixtures and automobiles	-	-	-	-
19 Accounts receivable	463	-	-	463
20 Reinsurance premium overpayment	4,450	-	-	4,450
21 Fire extinguishers	-	-	-	-
22 Fire alarms	-	-	-	-
23 Prepaid expenses	-	-	-	-
24 Totals	2,870,644	19,699	-	2,890,343

Exh 11, Ln 24,
Col 1

Pg 2, Ln 23,
Col 1

* Computers and related equipment which exceeded \$25,000 initial cost.

** Agents' balances, uncollected premiums, and assessments over 90 days past due should be shown under Col. 3, Assets Not Admitted.

Exhibit 10
Analysis of Non-Admitted Assets

	1 December 31, Prior Year	2 December 31, Current year	3 Change for Year Col. 1 Less Col. 2
1 Deposits in suspended depositories, less estimated amounts recoverable			
2 Agents' balances or uncollected premium/assessments over 90 days past due	-		
3 Bills receivable, past due, taken for premium/assessments			
4 Furniture, fixtures, and automobiles	37	37	
5 Fire extinguishers			
6 Fire alarms			
7 Prepaid expenses			
8 ED/P equipment			
9* Agency			
10			
11			
12 Investment company shares			
13 Assurance Partners bank stock			
14 Bonds in default			
15			
16 Totals (including net unrealized gains and losses on invested assets)		37	
		Exh 10, Col 2, Prior Year	Exh 9, Col 3
17 Total of items in Col. 3 relating to invested asset write-in items (To Exh. 2, Col. 4)			
18 Non-admitted assets (Ln 16 minus Ln. 17) (To Pg. 4, Ln. 20, Col. 1)			37

*Itemize all other non-admitted assets including unrealized gains and losses on invested assets

Exhibit 11
Reconciliation of Ledger Assets

Increase in Ledger Assets

1	Net written premiums-Exh. 3, Col. 6	292,619
2	Assessment income received-Exh. 4, Col. 6	-
3	From sale or maturity of ledger assets-Exh. 2, Ln. 8, Col. 1	6,934
4	Investment income received-Exh. 1, Ln. 8, Col. 1 and 2	122,560
5	Amounts withheld for the account of others	264
6	Borrowed money repaid [gross]	-
7	Funds payable on reinsurance	-
8	Federal taxes paid	-
9	Rounding	-
10		-
11	Total (Items 1-10)	422,377

Decrease in Ledger Assets

12	Net losses paid-Exh. 5, Col. 6	94,629
13	Expense paid-Exh. 8, Ln. 32, Col. 1	121,939
14	From sale or maturity of ledger assets-Exh. 2, Ln. 8, Col. 2	-
15	Amounts withheld for account of others	-
16	Borrowed money [gross]	-
17	Funds payable on reinsurance	818
18	Federal taxes paid	-
19	Rounding	3
20		-
21	Total (Items 12-20)	217,389

Reconciliation Between Years

22	Total ledger assets at December 31 of prior year (Exh. 9, Ln. 22, Col. 1, Prior Year)	2,665,656
23	Increase or decrease in ledger assets during the year (Ln. 11 minus Ln. 21)	204,988
24	Total ledger assets at December 31 of current year (Exh. 9, Ln. 24, Col. 1)	2,870,644

Schedule A
Cash Deposited in Checking Accounts

1	2	3	4	5	6
Name of Financial Institution (followed by address)	Actual Balance on Bank Statement December 31	Deduct Checks Outstanding	Other Adjustment* Add	Other Adjustment* Deduct	Net Balance Per Books December 31
1 Wells Fargo Bank PO Box 69, Fandango MN 55021-0069	61,132	13,786			47,346
2					-
3					-
4					-
5					-
6					-

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*Please explain adjustments (If deposit give date deposit was made)

Exh 9, Ln 2,
Col 1

Schedule B
Cash Deposited at Interest
 Showing all banks, trust companies, savings and loan associations, etc., in which deposits were maintained by the Company
 at any time during the year and the balances, if any, on December 31 of the current year.

1 Name of Financial Institution (followed by address)	2 Certificate or Acct. #	3 "Type Account	4 Interest Rate	5 "Interest Payable	6 Date of Issue	7 Date of Maturity	8 Book Value December 31	9 Interest Amount Received During Year	10 Interest Amount Due and Accrued December 31
1 Americana Community Bank PO Box 218 Medford MN 55049-0218	17644-02	CD	2.110	Mat.	05/11/09	01/11/10		-	283
2 Americana Community Bank PO Box 218 Medford MN 55049-0218	17555-02	CD	2.750	Q	03/16/09	05/16/10		-	171
3 Americana Community Bank PO Box 218 Medford MN 55049-0218	17576-02	CD	2.750	A	04/02/09	06/02/10		-	458
4 Americana Community Bank PO Box 218 Medford MN 55049-0218	17111-02	CD	2.900	CA	04/02/08	04/02/11	21,177	597	459
5 Americana Community Bank PO Box 218 Medford MN 55049-0218	120484	CD	1.350	S	06/02/10	07/02/11	25,000	169	27
6 Americana Community Bank PO Box 218 Medford MN 55049-0218	120407	CD	1.510	Q	05/17/10	06/17/11	15,000	114	27
7 Community Resource Bank 1605 Heritage Drive Northfield MN 55057	48410	CD	2.000	S	11/03/09	06/03/11	25,000	500	79
8 Community Resource Bank 1605 Heritage Drive Northfield MN 55057	48534	CD	2.000	S	11/20/09	06/20/11	75,000	1,500	168
9 Currie State Bank 141 Mill Street Currie MN 56123	17049	CD	2.350	CQ	07/26/09	08/02/10		-	98
10 Currie State Bank 141 Mill Street Currie MN 56123	17679	CD	1.710	CQ	07/28/10	07/28/11	21,384	461	64
11 Currie State Bank 141 Mill Street Currie MN 56123	17030	CD	5.200	Q	06/26/07	06/26/11	25,000	1,300	18
12 First United Bank 430 NW 4th Street, PO Box 217 Faribault MN 55021-0217	10005280	CD	2.250	CA	10/15/09	10/15/11	19,108	420	91
13 First United Bank 430 NW 4th Street, PO Box 217 Faribault MN 55021-0217	601498	MM	V	M	XXXXXX	XXXXXX	31,969	207	-
14 Frandsen Bank & Trust PO Box 250 Dundas MN 55018-0250	603000227	CD	2.060	Q	06/21/09	06/21/10	-	103	-

Schedule B
Cash Deposited at Interest
 Showing all banks, trust companies, savings and loan associations, etc., in which deposits were maintained by the Company at any time during the year and the balances, if any, on December 31 of the current year.

1	2	3	4	5	6	7	8	9	10
Name of Financial Institution (followed by address)	Certificate or Acct. #	*Type Account	Interest Rate	**Interest Payable	Date of Issue	Date of Maturity	Book Value December 31	Interest Amount Received During Year	Interest Amount Due and Accrued December 31
15 Frandsen Bank & Trust PO Box 250 Dundas MN 55019-0250	1300045039	CD	1.800	S	06/22/10	05/22/12	20,000	181	9
16 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	133323	CD	2.960	CM	02/10/09	02/10/10	-	2	-
17 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	12047	CD	3.400	M	02/11/08	02/11/10	-	78	-
18 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	12083	CD	3.400	M	02/19/08	08/19/10	-	538	-
19 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	13839	CD	2.470	M	07/01/09	10/01/10	-	297	-
20 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	10362	CD	3.490	Q	12/14/08	12/14/10	-	266	-
21 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	7756	CD	4.360	S	01/22/08	12/22/10	-	1,063	-
22 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	7630	CD	3.150	S	02/10/09	02/10/11	20,000	630	-
23 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	82536	Savings	V	M	XXXXXX	XXXXXX	2,867	5	-
24 Hometown Credit Union 2400 W Bridge St, Owatonna, MN 55060	14882	CD	1.640	Q	12/22/10	12/22/13	35,000	14	-
25 Lake County Community Bank PO Box 188 Morristown MN 55052-0188	1693	CD	3.000	A	05/11/09	11/11/10	-	1,354	-
26 Lake County Community Bank 2100 N Grant Street Farnbault MN 55021	1669	CD	3.750	A	01/14/09	01/14/10	-	938	-
27 Lake County Community Bank PO Box 188 Morristown MN 55052-0188	1595	CD	3.750	A	02/11/08	02/11/10	-	375	-
28 Lake County Community Bank 2100 N Grant Street Farnbault MN 55021	1606	CD	3.750	CA	02/25/08	02/25/10	-	1,654	-

Schedule B
Cash Deposited at Interest
 Showing all banks, trust companies, savings and loan associations, etc., in which deposits were maintained by the Company
 at any time during the year and the balances, if any, on December 31 of the current year.

1 Name of Financial Institution (followed by address)	2 Certificate or Acct. #	3 *Type Account	4 Interest Rate	5 **Interest Payable	6 Date of Issue	7 Date of Maturity	8 Book Value December 31	9 Interest Amount Received During Year	10 Interest Amount Due and Accrued December 31
29 Lake County Community Bank PO Box 188 Morrisstown MN 55052-0188	1641	CD	2.350	CS	06/06/09	06/06/10			837
30 Lake County Community Bank PO Box 188 Morrisstown MN 55052-0188	1716	CD	2.000	CA	06/07/10	06/07/12	36.537		414
31 Premier Bank 417 4th Street NW Faribault MN 55021	3302776937	CD	2.750	S	01/15/10	01/15/12	25,000	498	318
32 Premier Bank 417 4th Street NW Faribault MN 55021	3021512501	CD	1.250	S	12/29/10	12/29/12	30,000	1,020	2
33 Premier Bank 417 4th Street NW Faribault MN 55021	3021512502	CD	2.300	S	02/11/10	09/11/11	20,497	234	223
34 Profimum Financial 1080 West Frontage Road, Owatonna MN 55060	805393	CD	2.000	CQ	06/16/10	06/16/12	20,200	200	17
35 Reliance Bank 2300 NW 30th Street, Faribault MN 55021	40603	CD	4.000	CA	07/18/08	01/18/10		527	-
36 Reliance Bank 2300 NW 30th Street, Faribault MN 55021	40736	CD	4.000	A	08/29/08	02/28/10		211	-
37 Reliance Bank 2300 NW 30th Street, Faribault MN 55021	41391	CD	2.490	CA	11/07/09	05/09/11	35,000	872	129
38 Reliance Bank 2300 NW 30th Street, Faribault MN 55021	41492	CD	2.300	CA	01/19/10	07/19/11	41,527		905
39 Reliance Bank 2300 NW 30th Street, Faribault MN 55021	41590	CD	3.050	CA	02/16/10	02/16/13	25,000		664
40 Reliance Bank 2300 NW 30th Street, Faribault MN 55021	41614	CD	3.050	A	03/01/10	03/01/13	55,000		1,402
41 Reliance Bank 2300 NW 30th Street, Faribault MN 55021	41947	CD	1.800	CA	09/20/10	10/20/12	25,000		126
42 State Bank of Faribault 428 Central Avenue, Faribault MN 55021	7293410	CD	3.850	S	11/06/08	01/06/11	35,000	1,348	203

**Schedule B
Cash Deposited at Inter-
est**

Showing all banks, trust companies, savings and loan associations, etc., in which deposits were maintained by the Company at any time during the year and the balances, if any, on December 31 of the current year.

1	2	3	4	5	6	7	8	9	10
Name of Financial Institution (followed by address)	Certificate or Acct. #	*Type Account	Interest Rate	**Interest Payable	Date of Issue	Date of Maturity	Book Value December 31	Interest Amount Received During Year	Interest Amount Due and Accrued December 31
43 State Bank of Faribault	7293631	CD	3.850	S	11/09/08	01/09/11	25,000	963	137
44 State Bank of Faribault	7294743	CD	3.850	S	11/28/08	01/28/11	38,000	1,463	132
45 State Bank of Faribault	7300662	CD	2.220	CA	05/04/09	05/04/11	17,473	381	256
46 State Bank of Faribault	729434	CD	3.500	S	08/21/08	11/21/11	10,000	350	127
47 State Bank of Faribault	70148272000	CD	3.150	Q	09/19/08	12/19/11	15,000	525	16
48 State Bank of Faribault	7292260	CD	3.500	Q	09/29/08	12/29/11	10,000	350	2
49 State Bank of Faribault	7297211	CD	2.650	S	12/19/08	03/19/12	10,000	265	9
50 State Bank of Faribault	7299206	CD	2.650	CA	03/02/09	06/02/12	12,289	317	271
51 State Bank of Faribault	100011220	CD	2.220	CA	12/01/09	12/01/11	25,555	555	47
52 State Bank of Faribault	10002332	CD	2.220	S	01/20/10	01/20/12	30,000	330	299
53 United Prairie Bank PO Box 567 Orono MN 56360	50110001624	CD	3.050	S	02/04/09	02/04/11	38,500	1,174	479
54							-	-	-
55							-	-	-
56							-	-	-

Total

- Type S=Savings, M=Money Market, CD=Certificate of Deposit

** Payable M=Monthly, Q=Quarterly, S=Semi-Annual, A=Annual

Does the Company have excess private deposit insurance for balances exceeding FDIC limit? (Y/N)

Exh 9, Ln 3, Exh 1, Ln 1, Exh 1, Ln 1
Col 1 Col 1 Col 3

Col 3

14

Schedule C**Guarantee Fund Certificates**

Showing all guarantee fund certificates owned by the Company at any time during the year and the balances, if any, on December 31 of the current year.

1	2	3	4	5	6	7	8	9
Name of Issuing Financial Institution	Certificate #	Interest Rate	**Interest Payable	Date of Issue	Date of Maturity or Redemption	Book value December 31	Interest Amount Received During Year	Interest Amount Due and Accrued December 31
1 RAM Mutual Insurance Company	57	V	A	11/24/82	XXXXXX	-	600	
2 RAM Mutual Insurance Company	1025	V	A	06/24/96	XXXXXX	10,000	600	
3 RAM Mutual Insurance Company	1060	V	A	02/09/98	XXXXXX	10,000	600	
4 RAM Mutual Insurance Company	2013	V	A	07/01/02	XXXXXX	20,000	800	
5 RAM Mutual Insurance Company	2080	V	A	04/17/03	XXXXXX	30,000	1,200	
6								
7								
8								
9								
10								
11								
12								
13								
14								
Totals						70,000	3,800	-

** Payable M=Monthly, Q=Quarterly, S=Semi-Annual, A=Annual

Exh 9, Ln 4, Exh 1, Ln 2,
Col 1 Col 1 Col 3

Schedule D-Part 1
Showing all Bonds Owned December 31 of the Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description (complete and accurate)	Cusip # ID	** Type	Interest Rate	*** Interest Payable	Date of Purchase	Date of Maturity	Book Amortized Value	Par Value	Market Value	Actual Cost	**** Interest Amount Received	Interest Accrued Dec 31 Current Year	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year
1 Suntrust Bk 5.2% 1/17/17	86787GAD4	C	5.200	S	08/25/09	01/17/17	2,912	4,000	4,020	2,912	1,352	95	218	-
2 Clifgroup Inc 6.125% 11/21/17	172567EM9	C	6.125	S	09/10/09	11/21/17	19,983	20,000	21,918	19,983	1,225	136	1	-
3 Merrill Lynch & Co 6.5% 7/15/18	590188JF6	C	6.500	S	07/27/09	07/15/18	9,814	10,000	10,475	9,814	650	300	18	-
4 ISLM Corporation Step Up	78490FKZ1	C	4.500	S	01/31/05	06/15/24	55,000	55,000	40,717	55,000	3,410	152	-	-
5 GE Capital Corporation	36966RGL4	C	5.000	M	06/25/03	07/15/28	30,000	30,000	28,675	30,000	1,500	67	-	-
6 Bank of America	06050XNU3	C	5.800	S	12/18/03	12/15/28	20,000	20,000	19,400	20,000	1,160	52	-	-
7 JP Morgan Chase & Co 6% 5/29	46627BAM3	C	6.000	Q	06/11/09	05/01/29	13,107	14,000	13,481	13,107	840	140	24	-
8 Morgan Stanley Step 5% 7/30/30	61745E2C4	C	5.000	S	07/29/10	07/30/30	25,000	25,000	23,882	25,000	(10)	524	38	-
9 Morgan Stanley DW DRs SR Notes	61745EN56	C	5.000	S	10/19/10	10/15/30	49,910	50,000	49,270	49,910	(49)	528	10	-
10 Prudential Fin Inc 6% 2/15/32	74432AB82	C	6.000	S	02/22/07	02/15/32	10,000	10,000	9,807	10,000	600	227	-	-
11 Goldman Sachs Group 6.125% 2/15/33	38141GCU6	C	6.125	S	06/24/10	02/15/33	19,985	20,000	21,189	19,985	157	463	1	-
12 Genworth Global Fund 6.25% 6/15/33	37248JBK7	C	6.250	S	06/09/08	06/15/33	40,000	40,000	38,019	40,000	2,500	111	-	-
13 Clifgroup Inc 6% 10/31/33	172567CC3	C	6.000	S	08/16/10	10/31/33	19,851	20,000	18,723	19,851	223	203	1	-
14 Assurant Inc 6.75% 2/15/34	04621XAD0	C	6.750	S	03/22/10	02/15/34	29,529	30,000	29,472	29,529	788	765	6	-
15 Merrill Lynch Co	59018YTJM3	C	6.050	S	12/11/09	06/01/34	20,418	21,000	19,598	20,418	1,271	106	10	-
16 SBC Comm Inc 6.15% 9/15/34	78387GAQ6	C	6.150	S	02/16/10	09/15/34	37,000	37,000	38,212	37,000	1,302	670	-	16
17 Cincinnati Finl Corp 6.12% 11/1/34	172662AE1	C	6.125	S	06/24/10	11/01/34	69,445	71,000	66,384	68,445	1,299	725	29	-
18 Wellpoint Inc 5.95% 12/15/34	94973VAH0	C	5.950	S	11/16/09	12/15/34	19,905	20,000	20,568	19,905	1,190	53	2	-
19 Loews Corp 6% 2/1/35	540244AP3	C	6.000	S	10/07/09	02/01/35	29,521	30,000	29,253	29,521	1,800	750	15	-
20 Kinder Morgan Energy 5.8% 3/15/35	494550AT3	C	5.800	S	10/21/09	03/15/35	28,827	30,000	28,575	28,827	1,740	512	20	-

Schedule D-Part 1
Showing all Bonds Owned December 31 of the Current Year

Description (complete and accurate)	*Cusip # ID	** Type	Interest Rate	Interest Payable	*** Date of Purchase	Date of Maturity	Book Amortized Value	Par Value	Market Value	Actual Cost	*** Interest Amount Received	Interest Accrued Dec 31 Current Year	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year
21 Newmont USA LTD 5.875% 4/1/35	651639AEB	C	5.875	S	11/16/09	04/01/35	28,869	30,000	31,370	28,889	1,763	441	19	-
22 El Paso Elec Co 6% 5/15/35	283677AW2	C	6.000	S	05/25/10	05/15/35	29,974	30,000	29,615	29,974	835	-	1	-
23 Wachovia Corp New 5.5% 8/1/35	929803AM4	C	5.500	S	01/25/10	08/01/35	32,357	35,000	32,782	32,357	850	802	22	-
24 Selective Ins Group 6.7% 11/1/35	816300AE2	C	6.700	S	09/01/10	11/01/35	28,331	30,000	25,227	28,331	302	335	8	-
25 United Health Group 5.8% 3/15/36	91324PAR3	C	5.800	S	03/25/10	03/15/36	30,188	31,000	31,450	30,188	837	529	39	-
26 Goldman Sach Group 6.45% 5/1/36	38143YACT7	C	6.450	S	04/27/10	05/01/36	42,826	45,000	44,206	42,826	1,370	484	1	-
27 Principal Finl Group 6.05% 10/15/36	74251VAA0	C	6.050	S	04/21/10	10/15/36	38,117	38,000	38,244	38,117	1,079	485	-	2
28 Merrill Lynch & Co 6.11% 7/29/37	59022CAJ2	C	6.110	S	09/11/10	01/29/37	26,629	27,000	24,372	26,629	(243)	697	2	-
29 JP Morgan Chase & Co 5.5% 3/15/37	46627BDK4	C	5.800	S	03/05/10	03/15/37	9,748	10,000	9,457	9,748	298	171	3	-
30 Citigroup Inc Glob 5.875% 5/29/37	172867EC1	C	5.875	S	08/09/10	05/29/37	29,773	30,000	29,349	29,773	524	157	1	-
31 Valero Energy Corp 6.625% 6/15/37	91913YAL4	C	6.625	S	09/24/09	06/15/37	44,507	46,000	46,719	44,507	2,276	135	151	-
32 GE Cap Corp 6.15% 8/7/37	36962G3AO	C	6.150	S	03/05/10	08/07/37	19,706	20,000	21,082	19,706	502	492	3	-
33 JP Morgan Chase & Co 6.25% 11/15/3	46627BF82	C	6.250	M	01/27/09	11/15/37	9,704	10,000	9,910	9,704	625	28	11	-
34 Capital One BK VA 4.75% 11/28/12	14041AUG2	CD	4.750	S	11/28/07	11/28/12	45,000	45,000	47,984	45,000	2,138	199	-	-
35 FNMA Group 24:59	31360CNU2	M	8.500	M	05/18/07	06/01/15	3	3	3	3	-	-	-	-
36 FNR 2003-113 KA 4.5%	31313BT2P0	M	4.500	M	06/08/09	11/25/18	16,968	16,468	17,281	16,968	935	12	-	71
37 FHLMC REMIC 109E	3129053.9	M	7.000	M	06/09/03	06/15/21	457	457	509	457	36	1	-	-
38 FHLMC 90 181 E	312904AJ9	M	6.784	M	10/29/03	08/15/21	101	119	101	119	8	-	-	-
39 FHRL 1122G	312906V56	M	7.000	M	06/30/03	08/15/21	171	170	197	171	13	1	-	-
40 GNMA 2005-55 AC 5%	36374LZY0	M	5.000	M	09/20/03	09/20/31	6,923	6,923	6,997	6,923	605	11	-	-

Schedule D-Part 1
Showing all Bonds Owned December 31 of the Current Year

Description (Complete and accurate)	CUSIP # ID	Type	Interest Rate	*** Interest Payable	Date of Purchase	Date of Maturity	Book Amortized Value	Par Value	Market Value	Actual Cost	***** Interest Amount Received	Interest Accrued Dec 31 Current Year	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	
41 Cilicorp 2003-5 1A7 5.5%	172973PH6	M	5.500	M	05/25/08	04/25/33	1.924		1.920		1.924		387	2	1,472
42 Bank of America 2003-6 1A14	05948XCN4	M	5.500	M	09/25/07	08/25/33	12.543	14,000	14,093	12,543		770	13	104	-
43 CWALT 2004-2B RA3	12669GF4A	M	5.500	M	11/24/04	08/25/33	35,000		34,923	35,000		1,926	32	-	-
44 FHASI 2003-7 1A9	320511DA36	M	5.250	M	09/30/03	09/25/33	25,066		25,509	25,318	25,066	1,575	22	32	-
45 First Horizon 03-8 1A7	320510F23	M	5.000	M	07/16/03	10/25/33	30,000		30,452	30,000		1,575	26	-	-
46 Banc of America 2004-1 1A6 5.5%	05948XV57	M	5.500	M	12/28/07	02/25/34	13,159	15,084	15,125	13,159		938	14	138	-
47 GNR 2004-26D	38874F3H5	M	5.250	M	08/28/04	04/16/34	31,193		31,725	32,126	31,193	1,666	69	38	-
48 FNR 2004-021 JH	31393XQ23	M	5.500	M	12/29/05	04/25/34	15,145		15,246	15,725	15,145	1,424	14	90	-
49 FNR 2004-060	999222HA3	M	5.250	M	07/30/04	04/25/34	19,713		19,899	19,713		1,316	18	-	-
50 Countrywide 2004-4A9	12669FRL9	M	5.500	M	04/01/04	05/25/34	20,000		19,981	20,000		1,100	18	-	-
51 CWHL 2004-5 2A17	998222GK2	M	5.250	M	04/30/04	05/25/34	24,739		25,000	25,467	24,739	1,313	22	19	-
52 CWALT 2004-16 CB 4A3	126677FMC6	M	6.000	M	07/02/04	08/25/34	50,000		42,395	50,000		3,001	50	-	-
53 FHLMC 2857X	31395FTW4	M	5.500	M	10/05/04	09/15/34	981		981		982		372	2	-
54 FHLMC 2879 BB	31395GTH5	M	5.500	M	10/29/04	09/15/34	8,000		8,000		7,982		811	20	-
55 GNMA 2004-87 BC 4.5%	38374JMC7	M	4.500	M	01/27/09	10/20/34	20,000		20,604	20,000		900	28	-	-
56 GNMA 2005-013 BG	38374KUJK7	M	5,000	M	05/27/05	02/20/35	34,939		35,000	36,244	34,939	1,750	53	4	-
57 WAMU 2005-3 A5	9393365C3	M	5.500	M	04/19/05	05/25/35	20,000		20,000		16,652		1,100	18	-
58 FHR 3007 GW	31395VEM5	M	5.500	M	12/27/06	07/15/35	4,717		4,717		4,905		595	12	-
59 GNMA 2005-051 DC	38374LXL0	M	5,000	M	07/19/05	07/20/35	17,000		17,000		17,330		850	-	-
60 CFS 1st Boston 2005-3 3A2	225458JX7	M	5,500	M	03/17/05	07/25/35	20,000		20,000	21,190	20,000	1,100	18	-	-

**Schedule D-Part 1
Showing all Bonds Owned December 31 of the Current Year**

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Schedule D- Part 2
Showing all Bonds Sold, Redeemed, or Otherwise Disposed of During the Year

1	2	3	4	5	6	7	8	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit on Disposal	Loss on Disposal	Interest Received During Year
Description (complete and accurate)	Cusip # ID	Name of Purchaser	Disposal Date	Consideration Received	Book Value at Disposal Date	Par Value						
1 UnitedHealth Group Inc 5% 11/15/17	91324PBBC5	Felti & Co	02/16/10	20,902	20,036	20,000				866		313
2 GNMA 03-70-MD	38374BEG0	Felti & Co	03/05/10	55,013	53,557					1,456		817
3 FHLMC 2847NN	313946DD03	Felti & Co	03/15/10	19,000	19,000							133
4 FHLMC 3176 GG	31396T3F8	Felti & Co	03/15/10	14,000	14,000							193
5 FHR 3290 5 75% 8/15/36	31397FQ62	UBS Financial	03/16/10	8,050	8,050							96
6 FHLMC 3158 CC	31398NNWE2	Felti & Co	04/15/10	20,000	20,000							280
7 Citigroup Inc 6 125% 5/15/18	172987ES6	Felti & Co	04/21/10	30,780	29,961	30,000				819		822
8 TVA 4 7/6 7/15/33	880591DV1	Felti & Co	05/25/10	19,900	19,029	20,000				871		817
9 FNMA 5% 6/18/24	31398AY12	Felti & Co	06/18/10	19,967	19,967							500
10 FNMA 08-99 HA	31398LAF7	Felti & Co	06/25/10	20,000	20,000							562
11 Johnson Ccls Inc 6% 1/15/36	478366AN7	Felti & Co	07/09/10	32,061	30,131	32,000				1,930		923
12 FHLMC 2832 JJ	31393VCC3	Felti & Co	07/15/10	8,000	8,000							125
13 Household Finance Notes	441181EYR3	Felti & Co	09/15/10	18,000	18,000							810
14 FHLMC 2861 6% 7/15/33	31394GVG5	Felti & Co	09/15/10	20,000	20,000							418
15 FHLMC 3120 DD	31396HAX7	Felti & Co	09/16/10	5,000	5,000							173
16 FHLMC 2882 TB 5 25%	31395JKF2	Felti & Co	11/15/10	18,513	17,554	18,513				959		604
17												-
18												-
19												-
20												-
Totals				329,219	322,285	326,120				6,934		7,596
							Exh 1, Ln 3	Exh 1, Ln 3	Exh 2, Ln 1, Col 1	Exh 2, Ln 1, Col 2	Exh 2, Ln 3, Col 1	Exh 1, Ln 1, Col 2

Schedule E-Part 1
Showing all Investment Company Shares Owned December 31 of the Current Year

1 Description (complete and accurate)	2 Cusip #/ID	3 Number of Shares	4 Year First Acquired	5 *Actual Cost	6 Rate Per Share Used to Obtain Market Value	7 Market Value	8 Statement Value (lower of cost or market)	9 Dividends/Amount Received During Year	10 Dividends/Declared But Unpaid at December 31
1 UBS Government Securities Port	749999AA6	0.00	01/01/95	-	1.00	-	-	-	-
2 Prime Fund - Capital Reserves	390521102	97,435.30	06/01/08	97,435	1.00	97,435	97,435	3	-
3 FT Unit 1910 Corp Inv1 Port - Ser 5	302764382	11.00	02/24/09	10,973	1,093.28	12,026	10,973	639	-
4				-		-		-	-
5				-		-		-	-
6				-		-		-	-
7				-		-		-	-
8				-		-		-	-
9				-		-		-	-
10				-		-		-	-
11				-		-		-	-
12				-		-		-	-
13				-		-		-	-
14				-		-		-	-
15				-		-		-	-
16				-		-		-	-
17				-		-		-	-
18				-		-		-	-
19				-		-		-	-
20				-		-		-	-
Totals		108,408			109,461	108,408	109,461	847	-

Exh 9, Ln 6,
Col 1Exh 9, Ln 6,
Col 4Exh 1, Ln 4,
Col 1Exh 1, Ln 4,
Col 3

* Investment company shares shall not exceed 20 percent of the Company's surplus

Schedule E-Part 2
Showing all Investment Company Shares Sold, Redeemed, or Otherwise Disposed of During the Year

Schedule F-Part 1
Showing all Common Stock Owned December 31 of the Current Year

1	2	3	4	5	6	7	8	9	10
Description (complete and accurate)	Cusip # ID	Number of Shares	Year First Acquired	Actual Cost	Rate Per Share Used to Obtain Market Value	Market Value	Statement Value (lower of cost or market)	Dividends/Amount Received During Year	Dividends/Declared But Unpaid at December 31
1 Narmico Stock Certificate # 251	62989105	30	1988	1,500	182.51	5,475	5,475	1,500	-
2						-			
3						-			
4						-			
5						-			
6						-			
7						-			
8						-			
9						-			
10						-			
11						-			
12						-			
13						-			
14						-			
15						-			
16						-			
17						-			
18						-			
19						-			
20						-			
Totals						5,475	1,500	-	-
								Exh 1, Ln 5, Col 1	Exh 1, Ln 5, Col 1
								Exh 9, Ln 7, Col 1	Exh 9, Ln 7, Col 4
									Exh 9, Ln 5, Col 3

Schedule F-Part 2
Showing all Common Stock Sold, Redeemed, or Otherwise Disposed of During the Year

1 Description (complete and accurate)	2 Cusip # ID	3 Name of Purchaser	4 Disposal Date	5 Number of Shares	6 Consideration Received	7 Actual Cost	8 Profit on Disposal	9 Loss on Disposal	10 Dividends Received During Year
1 None									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
Totals							0	0	0

Exh 2, Ln 6.
Col 1

Exh 2, Ln 6.
Col 2

Exh 1, Ln 5.
Col 1

Schedule G
Mortgage Loans Owned December 31 of the Current Year and all Mortgage Loans Made, Increased, Discharged, Reduced, or Disposed of During the Year

	1	2	3	4	5	6	7	8	9	10	11	12
Mortgagor (followed by address of property)	Date Given	Date Due	Original Amount of Loan	Unpaid Balance Dec. 31 Current Year	Interest Dates Due	Interest Rate	*Interest Amount Received	Interest Accrued Dec. 31 Current Year	Value of Lands Mortgaged	Value of Buildings	Amount of Fire Insurance Held by Company on Building	
None												
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
Totals												

*Gross amount of interest received during year less amount paid for accrual

*Exh 1,
Ln 6,
Col 3*

*Exh 9,
Ln 8,
Col 1*

Schedule H-Part 1
Real Estate Owned December 31 of the Current Year

Description of Property (include location and year acquired)		Actual Cost	Amount of Encumbrances	Improvements to Home Office	Current year Depreciation	Accumulated Depreciation	Book Value Dec 31	Book Value Dec 31 Prior Year Col. 7	Book Value Dec 31 Current Year (Col. 1 - 2 + 3) - 5	Rental Income Received
							Dec 31	Dec 31	(Col. 1 - 2 + 3) - 5	0
1	None									
2										
3										
4										
5										
6										
7										
8										
9										
10										
Totals							0	0	0	0

Exh 9, Ln 9,
 Col 1

Exh 1, Ln 7,
 Col 1

Rice County Mutual Insurance Company

Schedule I All salaries and other emoluments paid to directors, officers, employees of the Company and independent attorneys, accountants, adjusters, inspectors and consultants during the current year											
1	2	3	4	5	6	7	8	9	10	11	12
Title	Name of Payee	Member of Company? Yes or No	Salary	Fringe Benefits	Commission	Loss Adjustment	Loss Prevention (Inspection)	Director or Policy Fee Paid or Retained	All Other (Footnote)*	Ref #	Total
1 President	Howard Schoenfeld	Yes						902			902
2 Vice-President	Orville Wagner	Yes						375			375
3 Secretary	Allen Ross	Yes						1,020			1,020
4 Treasurer	Donald O'Neil	Yes						1,020			1,020
5 Total Officers											3,117
6 Director	Jeff La Canne	Yes						240			240
7 Director	Robert Heine	Yes						360	6,600	4	36364
8 Director											
9 Director											
10 Director											
11 Director											
12 Director											
13 Director											
14 Director											
15 Total Directors	Donald O'Neil	Yes	15,600	4,031	2,755		154	600	6,600	1,169	32,224
16 Manager											23,555
17 Employee											0
18 Employee											0
19 Employee											0
20 Employee											0
21 Employee	Heine Agency										0
22 Agent											0
23 Agent											0
24 Agent											0
25 Agent											0
26 Agent	Overflow Page										0
27 Total Employees and Agents			15,500	4,000	19,934	33		12,535		54,922	19,937
28 Legal	Willenbring & Dahl							712	2		712
29 Accounting	Overflow Page										0
30 Auditing	Jim Barba CPA, PA							5,920	1		5,920
31 Adjusting	Overflow Page										0
32 Inspecting	Overflow Page										0
33 Consulting											0
34 Total for Independent Services											6,632
35 Total Lines 5, 15, 27, and 34											10,935

FOOTNOTES (reference #)

(1) Auditing & Accounting

(2) Legal

(3) Travel

(4) Rent

(5) Leased Employee

(6)

2010 Annual Statement of the

Rice County Mutual Insurance Company

Management Ratios						
	1	2	3	4	5	6
	Current Year	Prior Year	Next Prior Year	Next Prior Year	Next Prior Year	Next Prior Year
Gross Written Premium Ratio						
1 Gross written premium (Exh 3, Col 2, plus 3) divided by policyholder's surplus (Pg 3, Ln 17)	358,959	342,330	406,369	436,956	433,379	445,076
13.2% equals the gross written premium ratio of	13.2%	13.7%	18.1%	20.9%	22.8%	26.2%
Net Written Premium Ratio						
2 Net written premiums (Exh 3, Col 6) divided by policyholder's surplus (Pg 3, Ln 17)	292,619	264,477	333,505	350,045	339,013	349,685
10.8% equals the net written premium ratio of	10.8%	10.6%	14.9%	16.7%	17.9%	20.6%
Gross Loss Ratio						
3 Gross losses paid (Exh 5, Col 2 plus 3) divided by gross written premiums (Exh 3, Col 2 plus 3)	111,153	50,814	181,008	149,137	126,124	186,221
31.0% equals the gross loss ratio of	31.0%	14.8%	44.5%	34.1%	29.1%	41.8%
Net Loss Ratio						
4 Net losses paid (Exh 5, Col 6) divided by net written premiums (Exh 3, Col 6)	94,629	48,249	162,554	149,137	126,124	175,702
32.3% equals the net loss ratio of	32.3%	18.2%	48.7%	42.6%	37.2%	50.2%
Operating Expense Ratio						
5 Operating expenses paid (Exh 8, Ln 25, Col 1) divided by gross written premiums (Exh 3, Col 2 plus 3)	121,528	118,266	121,180	126,856	141,721	131,745
33.9% equals the operating expense ratio of	33.9%	34.5%	29.8%	29.0%	32.7%	29.6%
Investment Yield						
6 Investment income earned (Exh 1, Ln 10, Col 5) divided by the sum of admitted assets (Pg 2, Ln 1 thru 9) Col 1	127,882	113,162	115,540	112,683	101,157	80,539
4.5% equals the investment yield of	4.5%	4.3%	4.8%	5.0%	4.9%	4.2%
Change in Surplus Ratio						
7 Stated surplus current year (Pg 3, Ln 17, Col 1) less stated surplus prior year (Pg 3, Ln 17, Col 2)	2,709,921	2,503,363	2,240,825	2,090,253	1,898,640	1,700,816
206,558 equals change in surplus current year (Pg 4, Ln 25, Col 1)	2,503,363	2,240,825	2,090,253	1,898,639	1,700,814	1,589,084
2,503,363 divided by stated surplus prior year (from above)	2,503,363	2,240,825	2,090,253	1,898,639	1,700,814	1,589,084
8.3% equals the change in surplus ratio of	8.3%	11.7%	7.2%	10.1%	11.6%	7.0%

General Interrogatories

1 (a) Have any amendments been made to the Company's Articles of Incorporation or Bylaws during the past year?	Yes
(b) If so, have all amendments been filed with the Commissioner of Commerce?	Yes
(c) What date were the amendments filed?	03/05/10
2 (a) Does the company issue the Easy to Read Minnesota Standard Township Mutual Insurance Policy?	Yes
If NO, state type of policy issued	N/A
(b) Are all policy forms which are used by the Company on file with the Commissioner of Commerce?	Yes
(c) Does your Company write a combination policy with any other company?	Yes
If YES, state names of companies and types of policies	North Star & RAM Mutual-Farmowners & Package Policies Spring Valley Mutual-Farmowners & Package Policies Packaging companies cover the perils that the mutual cannot by statutes insure
(d) Is this business done through a separate agency?	Yes
(e) Name the agency	Rice County Insurance Agency
(f) Does your Company own the general agency?	No
3 Total number of counties in which the Company is authorized to do business?	8
List counties in <u>alphabetical order</u>	Dakota Dodge Goodhue Le Sueur Rice Scott Steele Waseca
4 Total number of Cities with a population of 25,000 or greater in which the Company is authorized to do business?	2
List the cities in <u>alphabetical order</u>	Hastings Shakopee
5 (a) How many members on the Board of Directors?	5
(b) How many Board of Director's meetings during the year?	6
(c) What is the average attendance?	5
6 Has Company established an annual policy for disclosure to its Board of any interest or affiliation on the part of its officers, directors, or responsible employees which is in conflict or likely to conflict with their official duties? (Y/N)	Yes
How is such disclosure made?	Meetings every two months
7 (a) Has any officer, director, or employee filed a loss claim with the Company during the year?	Yes
If so, give name, amount, and date paid	Allen Ross, \$2,200, 5/5/2010 Don O'Neil, \$136 84, 11/18/2010
(b) During the current year, did any officer, director, or employee receive directly or indirectly any compensation in addition to their regular compensation on account of any reinsurance transactions of the Company?	No
If YES, please explain	N/A
8 (a) Are members notified in advance of the time and place of annual and special meetings?	Yes
Number of days advance notice given?	20
How are members notified?	Newspaper, policy info, radio
(b) Is the date of the annual meeting prescribed in the Articles of Incorporation or Bylaws?	Yes
Insurance policy?	Yes
Other?	No
Specify	N/A
(c) Are members informed of vacancies on the Board of Directors?	Yes
How?	Newspaper
(d) Are members informed of vacancies on the Board before nominations are closed?	Yes
If NO, when are they notified?	N/A
(e) Number of policyholders attending the last annual meeting?	31
(f) Does the Company provide an annual financial report to the policyholders?	Yes
If YES, attach a copy	
(g) Has each member been given a copy of the Company's current Articles of Incorporation and Bylaws?	No
If YES, how?	N/A
9 Are the funds of any other company intermingled with the funds of the Company? (ie checking account, etc)	No
If YES, Explain in detail	N/A

General Interrogatories (continued)

10 Date of the last independent audit?	12/31/09
Name of accounting firm	Jim Barta CPA
Address of firm	PO Box 1879 Mankato, MN 56002-1879
Name of individual in charge of audit	Jim Barta CPA
11 Are those with access to Company funds bonded?	Yes
Secretary?	No
Treasurer?	Yes
Other employees?	
Amount?	40,000
Name of security?	Western Surety
12 Is the Company a member of a state association?	Yes
If YES, state the name	Minnesota Association of Farm Mutual Insurance Companies (MAFMIC)
Is the Company a member of a national association?	Yes
If YES, state the name	National Association of Mutual Insurance Companies (NAMIC)
13 Are all applications and records stored in a fire retardant safe/files in the home office?	Yes
If NO, how are they safeguarded?	N/A
Do you keep a duplicate set of important Company records stored off premises?	No
14 (a) For what terms are policies written?	One year renewed 3 years
(b) Premium payment installments	
Annual?	Yes
Semi-Annual?	Yes
Quarterly?	Yes
Other?	No
15 Does the Company have a written inspection program?	No
If YES, who inspects the properties?	Manager & Reinsurer
How often?	New risks when necessary-Others Random
16 By whom are losses adjusted?	Manager & Independent when necessary
17 Does the Company carry liability (E&O/D&O) insurance on its directors?	Yes
Officers?	Yes
Employees?	Yes
Name of insurer?	NAMIC Insurance Company
18 (a) Has any officer or director of the Company received any commission, fee, or other thing of value in connection with any investment or loan made by the Company during the year of this statement?	No
If YES, give the particulars	N/A
(b) Has the Company made any personal loan to any director, officer, agent, or employee?	No
If YES, give the particulars	N/A
19 Have any dividends been declared during the year?	No
If YES, give basis for the distribution	N/A
20 Any newly appointed agents during this year?	No
If YES, list names and addresses	None
Are all agents licensed?	Yes
If NOT, explain	
21 How are agents compensated?	N/A
Commission rate or rates	Commissions
	15% yearly and renewals 20% on new business
22 Does the Company have a written disaster recovery plan?	No
23 Does the Company have a written investment policy?	No
24 Are the agents that collect premium from policyholders required to be bonded?	N/A
If YES, is evidence provided to the company on an annual basis?	N/A

2010 Annual Statement of the
Rice County Mutual Insurance Company

General Interrogatories (continued)

25 Homeowners direct written premium	\$ 53,000
Homeowners direct losses paid	\$ 4,637
Homeowners direct loss ratio	93%

26 Cities With Population > 25,000 direct written premium	None
Cities With Population > 25,000 direct losses paid	None
Cities With Population > 25,000 direct loss ratio	EXCLUDED

Number of Policyholders / Insurance in Force

1 December 31 of Prior year	Number of policyholders	649	Insurance in Force	<u>257,448,808</u>
2 Net addition or deduction for the year	Number of policyholders	(2)	Insurance in Force	<u>8,561,120</u>
3 December 31 of Current year	Number of policyholders	647	Insurance in Force	<u>266,009,928</u>

2010 Annual Statement of the

Rice County Mutual Insurance Company

General Interrogatories (continued)

Overflow write in page

Page Number	Line Number	Description and details
27	7	Director and Employee Losses

28	20	Any newly appointed agents during this year

25 Name	21	Employees	Salary	Fr Ben	Commiss	Loss Adj	Loss Prev	Fees	Other	Ref	Total
											-
											-
											-
											-
Totals			-	-	-	-	-	-	-	 	-

25 Name	26	Agents	Salary	Fr Ben	Commiss	Loss Adj	Loss Prev	Fees	Other	Ref	Total
Jordan Agency					175						175
Truax and Associates					3,667						3,667
House of Insurance					2,317						2,317
Tupy Agency					1,714						1,714
Fanbo Agency					1,100						1,100
GMI-Ritter Agency					1,737						1,737
Flicek Agency					7,005		33				7,038
Butler Agency					396						396
Lawrence Bohmbach					1,169						1,169
Heartman Agency					168						168
Miller Hartwig Agency					486						486
											-
											-
											-
											-
											-
											-
Totals			-	-	19,934		33	-	-	 	19,967

25 Name	31 & 32	Consulting and Adjusting	Salary	Fr Ben	Commiss	Loss Adj	Loss Prev	Fees	Other	Ref	Total
											-
											-
											-
Totals			-	-	-	-	-	-	-	 	-

Overflow write-ins

Jim Barta CPA, P.A.
401 Sherman St. PO Box 1879 N. Mankato MN 56002-1879
Phone 507-625-4245 FAX 507-625-9290

INDEPENDENT ACCOUNTANTS' COMPILED REPORT

To the Board of Directors and Policyholders
Rice County Mutual Insurance Company
Faribault, Minnesota

I have compiled the statutory statements of admitted assets, liabilities, and policyholders' surplus of Rice County Mutual Insurance Company as of December 31, 2010 and 2009, and the related statutory statements of income for the years then ended, included in the accompanying 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 Minnesota Department of Commerce.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Minnesota Department of Commerce and for designing, implementing, and maintaining internal controls 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.

The 2009 financial statements were compiled by me from financial statements that I previously audited, as indicated in my unqualified report dated September 16, 2010.

These financial statements and Exhibits 1 through 11, Schedules A through I and Management Ratios are presented in accordance with the requirements of the Minnesota Department of Commerce which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Jim Barta
Jim Barta
Certified Public Accountant

January 16, 2011