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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2011

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 2011 calendar year, or tax year beginning		, 2011, and ending	
<input type="checkbox"/> Check if applicable. <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Rice County Mutual Insurance Company Doing Business As Number and street (or P O box if mail is not delivered to street address) 23 Third Street Northwest City or town, state or country, and ZIP + 4 Fanbault MN 55021-5117		
	D Employer identification number 41-0502642		
	E Telephone number (507) 334-8145		
	F Name and address of principal officer Howard Schoenfeld-President 5811 NW 86th Street, Fanbault MN 55021		
	G Gross receipts \$ 611,020		
	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)		
I Tax-exempt status <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(15) ► (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: ► None	
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 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 Number of voting members of the governing body (Part VI, line 1a)	3 6	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 5	
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5 1	
	6 Total number of volunteers (estimate if necessary)	6 0	
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0	
7 b Net unrelated business taxable income from Form 990-T, line 34	7b 0		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 0	Current Year 0
	9 Program service revenue (Part VIII, line 2g)	358,959	320,119
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	135,224	134,345
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12 Total revenue. Add lines 8 through 11 (must equal Part VIII, column (A), line 12)	494,183	454,464
	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)	91,588	136,716
Expenses	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	77,845	72,441
	16 a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	16 b Total fundraising expenses (Part IX, column (D), line 25) ►		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	118,229	84,332
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	287,662	293,489
	19 Revenue less expenses. Subtract line 18 from line 12	206,521	160,975
	20 Total assets (Part X, line 16)	Beginning of Current Year 2,890,343	End of Year 3,033,086
21 Total liabilities (Part X, line 26)	180,422	162,190	
22 Net assets or fund balances Subtract line 21 from line 20	2,709,921	2,870,896	

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	Signature of officer ► <i>Donald O'Neil</i>	Date 3-23-2012
	Type or print name and title ► <i>DONALD O'NEIL, TREASURER</i>	
Paid Preparer Use Only	Preparer's name James Williams, CPA	Date 3/9/2012 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 (2011)

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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 organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 84,332 including grants of \$ 0) (Revenue \$ 454,464)

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

Number of Members: 612

Insurance in Force 255,822,405

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 ► 84,332

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?

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

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

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

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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

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

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

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

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V

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

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

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

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

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part 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

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.

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

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14 a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV

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

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.

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)

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

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

20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H

b If "Yes" to line 20a, did the organization attach its audited financial statements to this return?

	Yes	No
1	X	
2	X	
3	X	
4	X	
5	X	
6	X	
7	X	
8	X	
9	X	
10	X	
11a	X	
11b	X	
11c	X	
11d	X	
11e	X	
11f	X	
12a	X	
12b	X	
13	X	
14a	X	
14b	X	
15	X	
16	X	
17	X	
18	X	
19	X	
20a	X	
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 any government or organization 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 employee thereof, or a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? 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):	28a	X
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c	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	29	X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32	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	33	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	34	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	35a	X
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35b	X
b	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	36	X
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	37	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	38	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		

Part V Statements Regarding Other IRS Filings and Tax Compliance		
Check if Schedule O contains a response to any question in this Part V <input checked="" type="checkbox"/>		
		Yes
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 4
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c 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
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</i>	2b X
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a X
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
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
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b X
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
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).	
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?	7a N/A
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b N/A
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c N/A
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e N/A
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f N/A
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g N/A
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h 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?	8 N/A
9	Sponsoring organizations maintaining donor advised funds.	
a	Did the organization make any taxable distributions under section 4966?	9a N/A
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b N/A
10	Section 501(c)(7) organizations. Enter:	
a	Initiation fees and capital contributions included on Part VIII, line 12	10a
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b
11	Section 501(c)(12) organizations. Enter:	
a	Gross income from members or shareholders	11a
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a N/A
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	
a	Is the organization licensed to issue qualified health plans in more than one state? <i>Note. See the instructions for additional information the organization must report on Schedule O</i>	13a N/A
b	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	13b
c	Enter the amount of reserves on hand	13c
14 a	Did the organization receive any payments for indoor tanning services during the tax year?	14a X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b N/A

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 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a 6	
1 b	Enter the number of voting members included in line 1a, above, who are independent	1b 5	
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	Did the organization have members or stockholders?	6	X
7 a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	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	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	9	X

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," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	
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.	
12 a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12b N/A
13	Did the organization have a written whistleblower policy?	13 X
14	Did the organization have a written document retention and destruction policy?	14 X
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	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)	
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?	16a X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b N/A

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 (Section 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 made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.		
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 (507) 334-8145		

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, if any. 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 organization 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 (do not check more than one box, unless person is both an officer and a director/trustee)					(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	Former		
(1) Howard Schoenfeld-President	Part-Time	X		X				945		10
(2) Orville Wegner-Vice-President	Part-Time	X		X				375		
(3) Allen Ross-Secretary	Part-Time	X		X				1,170		32
(4) Donald O'Neil-Treasurer	Half-Time				X			20,984		220
(5) Jeff La Canne-Director	Part-Time	X						240		
(6) Robert Heine-Director	Part-Time	X						47,142		
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

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 (do not check more than one box, unless person is both an officer and a director/trustee)					(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			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total								0	0	0
c Total from continuation sheets to Part VII, Section A								70,856	0	262
d Total (add lines 1b and 1c)								70,856	0	262

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of 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 Report compensation for the calendar year ending with or within the organization's tax year

(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 . . .	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f			
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f	0			
Program Service Revenue		Business Code			
	2 a Premium Income	524126	320,119	320,119	0
	b		0		
	c		0		
	d		0		
	e		0		
	f All other program service revenue .		0		
	g Total. Add lines 2a-2f	320,119			
	3 Investment income (including dividends, interest, and other similar amounts)		125,806	125,806	0
	4 Income from investment of tax-exempt bond proceeds		0		
	5 Royalties		0		
	6 a Gross rents	(i) Real	(ii) Personal		
	b Less: rental expenses				
	c Rental income or (loss)	0			
	d Net rental income or (loss)		0	0	0
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b Less: cost or other basis and sales expenses	165,095			
	c Gain or (loss)	156,556			
	d Net gain or (loss)	8,539		8,539	0
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		0		
	b		0		
	c		0		
	d All other revenue		0		
	e Total. Add lines 11a-11d		0	454,464	454,464
	12 Total Revenue. See instructions.			0	0

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).

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

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 United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	136,716			
5 Compensation of current officers, directors, trustees, and key employees	71,118			
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	0			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	0			
10 Payroll taxes	1,323			
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	6,220			
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	2,180			
13 Office expenses	7,346			
14 Information technology				
15 Royalties				
16 Occupancy	649			
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	2,415			
20 Interest	0			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	0			
23 Insurance	3,994			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a State Taxes & Fees	4,455			
b Commissions	13,167			
c Adjusting and Inspecting	621			
d Reinsurance Premium/Change in UEP	43,285			
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	293,489			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	47,346	1 76,441
	2 Savings and temporary cash investments	34,836	2 32,302
	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		5
	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)		6
	7 Notes and loans receivable, net		7
	8 Inventories for sale or use		8
	9 Prepaid expenses and deferred charges		9
	10 a Land, buildings, and equipment. cost or other basis. Complete Part VI of Schedule D	10a	
	b Less: accumulated depreciation	10b	0 10c 0
	11 Investments—publicly traded securities	2,767,840	11 2,895,332
	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	40,321	15 29,011
	16 Total assets. Add lines 1 through 15 (must equal line 34)	2,890,343	16 3,033,086
Liabilities	17 Accounts payable and accrued expenses	2,151	17 1,518
	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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	178,271	25 160,672
	26 Total liabilities. Add lines 17 through 25	180,422	26 162,190
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	2,709,921	32 2,870,896
	33 Total net assets or fund balances	2,709,921	33 2,870,896
	34 Total liabilities and net assets/fund balances	2,890,343	34 3,033,086

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	454,464
2	Total expenses (must equal Part IX, column (A), line 25)	2	293,489
3	Revenue less expenses. Subtract line 2 from line 1	3	160,975
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,709,921
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
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	2,870,896

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"/> Accrual <input checked="" type="checkbox"/> Other Statutory 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?	2a	X
b	Were the organization's financial statements audited by an independent accountant?	2b	X
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	2c	X
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?	3a	N/A
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	3b	N/A

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

OMB No. 1545-0047

2011Open 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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
 ► 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.	
	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
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 Public exhibition d Loan or exchange programs
 b Scholarly research e Other _____
 c 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 current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ► %
 b Permanent endowment ► %
 c Temporarily restricted endowment ► %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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)		
3b		

(i) unrelated organizations
 (ii) related organizations
 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 property	(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) Premium Receivable	3,684
(2) Accrued Interest	21,816
(3) Accounts Receivable	498
(4) Tax Refunds Receivable	391
(5) Reinsurance Receivable	2,622
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	29,011

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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Unpaid Losses	5,000
(3) Unearned Premium	154,269
(4) Reinsurance Premium Payable	1,403
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	160,672

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.

Part X, line 2: There is no FIN 48 disclosure required.

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Part XIV Supplemental Information (continued)

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

► Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No. 1545-0047

2011

**Open To Public
Inspection**

Name of the organization

Rice County Mutual Insurance Company

Employer identification number

41-0502642

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
2	Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958	► \$		
3	Enter the amount of tax, if any, on line 2, above, reimbursed by the organization	► \$		

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
					Yes	No	Yes	No	Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total				► \$						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Robert Heine	Director/Agent	11,400	Co. Rents office from Heine	✓	
(2) Robert Heine	Director/Agent	6,600	Co. Leases employee from Heine	✓	
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

► **Attach to Form 990 or 990-EZ**

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.

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, 2011

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	611,020
Premium Refunds	0
Capital Losses	0
Modification per IRS Notice 2006-42:	
Form 990, Page 9, Line 7A,	<u>(156,556)</u>
Gross Receipts per IRS Notice 2006-42	<u>454,464</u>
(Amount meets the \$600,000 limitation)	
Premium Income per Form 990, Page 1, Line 9	320,119
Gross Receipts per IRS Notice 2006-42 From Above	<u>454,464</u>
(Amount meets the more than 50% premium income test)	<u>70.4%</u>

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, 2011

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, 2011

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, 2011
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>2/15/2012</u>
Main Administrative Office	<u>23 Third Street Northwest, Fanbault MN 55021-5117</u>				
Business Telephone	<u>(507) 334-8145</u> <u>(Area Code) Telephone #</u>				
Fax Telephone	<u>(507) 334-0544</u> <u>(Area Code) Telephone #</u>				
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	5811 NW 86th Street, Fanbault MN 55021	Feb-09	Feb-12
Orville Wegner	1381 250th Street West, Fanbault MN 55021-8415	Feb-11	Feb-14
Allen Ross	11840 Falls Trail, Lonsdale MN 55046-4471	Feb-11	Feb-14
Jeff La Canne	19146 Roberds Lake Boulevard, Fanbault MN 55021-8512	Feb-10	Feb-13
Robert Heine	20305 Cedar Lake Path, Mornstown MN 55052-5070	Feb-09	Feb-12

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

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 #

Name

Jim Barta CRA 401 Sherman Street, PO Box 1879 North Mankato MN 56002 1879
City, State, Zip Code (Area Code) Telephone #

1/13/2012

Signature of Person Preparing Statement / Date

Rice County Mutual Insurance Company

Admitted Assets

		1 <u>Current Year</u>	2 <u>Prior Year</u>
1	Cash in company's office Exh 9, Ln 1, Col 4	-	-
2	Cash deposited in checking account Exh 9, Ln 2, Col 4	76,441	47,346
3	Cash deposited at interest Exh 9, Ln 3, Col 4	917,196	917,084
4	Guarantee fund certificates Exh 9, Ln 4, Col 4	70,000	70,000
5	Bonds (at amortized cost) Exh 9, Ln 5, Col 4	1,893,272	1,705,684
6	Investment company shares Exh 9, Ln 6, Col 4	45,663	108,409
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	3,687	5,524
11	Investment income due or accrued Exh 9, Ln 11, Col 4	21,816	19,699
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	2,622	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
16	Federal tax refund receivable Exh 9, Ln 16, Col 4	-	-
17	Premium tax refund receivable Exh 9, Ln 17, Col 4	391	-
18	Accounts receivable Exh 9, Ln 18, Col 4	498	463
19	Reinsurance premium overpayment Exh 9, Ln 19, Col 4	-	4,450
20		-	-
21		-	-
22	Rounding	(1)	-
23	Total Admitted Assets (Must agree with Pg. 3, Ln. 18)	3,033,086	2,890,343

Liabilities and Policyholders' Surplus

		<u>1</u> <u>Current Year</u>	<u>2</u> <u>Prior Year</u>
1	<u>Net losses unpaid - Exh. 5</u>	5,000	1,053
2	<u>Net expenses unpaid - Exh. 8</u>	931	1,484
3	<u>Unearned premiums - Exh. 3</u>	154,269	177,218
4	<u>Borrowed money unpaid</u>	-	-
5	<u>Funds payable on reinsurance (other than losses)</u>	1,403	-
6	<u>Federal income taxes payable</u>	-	-
7	<u>Amounts withheld for the account of others</u>	589	667
8	<u>Accounts payable-agency</u>	-	-
9	<u>Rounding</u>	(2)	-
10		-	-
11		-	-
12		-	-
13		-	-
14		-	-
15		-	-
16	<u>Total Liabilities</u>	162,190	180,422
17	<u>Total Policyholders' Surplus</u>	2,870,896	2,709,921
18	Total liabilities and policyholders' surplus	3,033,086	2,890,343

Statement of Income

	<u>Underwriting Income</u>	1 Current Year	2 Prior Year
1	Net premiums earned - Exh. 3, Col. 9	276,834	284,188
2	Net assessments earned - Exh. 4, Col. 9	-	-
3	Total premiums and assessments (Ln. 1 + Ln. 2)	276,834	284,188
	<u>Deductions</u>		
4	Net losses incurred - Exh. 5, Col. 9	136,716	91,588
5	Operating expenses incurred - Exh. 8, Ln. 25, Col. 4	113,404	120,892
6	Total losses and expenses (Ln. 4 + Ln. 5)	250,120	212,480
	Net Underwriting Gain (loss) (Ln. 3 minus Ln. 6) (A)	26,714	71,708
	<u>Investment Income</u>		
7	Net investment income earned - Exh. 1, Ln. 10, Col. 5	125,722	127,879
8	Net realized capital gains or (losses) - Exh. 2, Ln. 8, Col. 3	8,539	6,934
9	Net Investment Gain or (loss) (Ln. 7 + Ln. 8) (B)	134,261	134,813
	<u>Other Income</u>		
10			
11			
12			
13	Rounding	-	-
14	Total Other Income or (loss) (C)	-	-
15	Net income (loss) before income taxes (A + B + C)	160,975	206,521
16	Federal income taxes incurred*	-	-
17	Net Income (to Ln. 19)	160,975	206,521

*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	2,709,921	2,503,363
<u>Gains and (Losses) in Surplus</u>			
19	Net income (from Ln. 17)	160,975	206,521
20	Change in non-admitted assets Exh. 10, Ln. 18, Col. 3	-	37
21	Net unrealized capital gains or losses Exh. 2, Ln. 8, Col. 4	-	-
22			
23			
24			
25	Change in policyholders' surplus for the year	160,975	206,558
26	Policyholders' surplus, December 31, current year	2,870,896	2,709,921

Exhibit 1

Investment Income Earned

	1 Received During Year Less Paid for Accrued on Purchases	2 Amortization(-) or 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	18,791		5,430	7,120	17,101
2 Schedule B				-	-
3 Guarantee fund certificates	-				
4 Bonds					
5 Schedule D, Part 1 + Part 2	101,228	3,031	16,386	12,579	108,066
6 Investment company shares					
7 Schedule E, Part 1 + Part 2	639			-	639
8 Common stock					
9 Schedule F, Part 1 + Part 2	-			-	-
10 Mortgage loans					
11 Schedule G	-			-	-
12 Real estate					
13 Schedule H	-			-	-
14 Totals	120,658	3,031	21,816	19,699	125,806
			Exh 9, Ln 11, Col 2	Pg 2, Ln 11, Col 2	
15 Total investment expense incurred (Exh. 8, Ln 31, Col 4)					84
16 Net investment income earned (Ln. 8 minus Ln. 9)					125,722
					Pg 4, Ln 7, Col 1

Exhibit 2

Capital Gains and Losses on Investments

1	2	3	4
	Profit on Sales or Maturity	Losses on Sales or Maturity	Net Gain or Loss[+] From Change in or Difference Between Book Value or Admitted Assets
		(Col. 1 minus Col. 2)	
1 Bonds	8,539	-	8,539
2 Guarantee fund certificates			-
3 Mortgage loans			-
4 Real estate	-	-	-
5 Investment company shares	-	-	-
6 Common stock	-	-	-
7 Other gains and losses - explain			-
8 Totals	8,539	-	8,539

Pg 4, Ln 8, Col 1

Pg 4, Ln 21, Col 1

PREMIUM AND LOSS EXHIBITS

Exhibit 3

Written and Earned Premiums								
1	2	3	4	5	6	7	8	9
Line of Business	Direct Written Premiums	Reinsurance Assumed	Paid Dividends	Reinsurance Ceded	Net Written Premiums	Unearned Premiums Dec. 31, Prior Year	Unearned Premiums Dec. 31, Current Year	Premiums Earned (Col 6 + 7 - 8)
Fire & other lines	320,119			66,234	253,855	177,218	154,269	276,834
Assumed reins.	-			-	-	-	-	-
Total all lines	320,119			66,234	253,855	177,218	154,269	276,834

Col 1 If no breakdown is made enter all under "Fire and other lines"

Col 2 Direct and written premiums include policy and survey fees minus return premiums. Do not deduct agents' commissions - see instructions

Col 5 include all reinsurance premiums paid plus or minus reinsurance adjustment-see instructions

Col 6 equals Col 2 plus Col 3 minus Col 4 minus Col 5

Col 8 See instructions-State pro-rata method used (50%, monthly, etc.)

Col 9 equals Col. 6 plus Col 7 minus Col 8

Exhibit 4

Assessment Income and Receivable

(Use only for post paid assessments or premiums)

1	2	3	4	5	6	7	8	9
Line of Business	Date When Assessment is Due	Rate	Amount of Base for Levied Assessment	Amount Levied (Col 3 Times Col 4)	Amount Received	Unpaid Balance Dec. 31, Current Year	Unpaid Balance Dec. 31, Prior Year	Net Assessment Income (Col 6 + 7 - 8)
Total all lines								

Exhibit 5

Paid and Incurred Losses

1	2	3	4	5	6	7	8	9
Line of Business (Type of loss)	Losses Paid	Losses Paid on Reinsurance Recovered on Losses Paid	Reinsurance Recoverable on Losses Paid	Net Losses Paid (Col 2 + 3 minus (4+5))	Net Losses Unpaid Dec. 31, Current Year	Net Losses Unpaid Dec. 31, Prior Year	Net Losses Unpaid Dec. 31, Prior Year	Losses Incurred (Col. 6 + / - 8)
Losses paid	589,186	453,765	2,622	132,789	5,000	1,000	1,000	136,799
Assumed reins.	(30)							
Total all lines	589,186	453,765	2,622	132,789	5,000	1,000	1,000	136,799

Exh 9, Ln 13.
Col 1

Exh 9, Ln 13.
Col 2

Pg 3, Ln 1.
Col 1

Pg 3, Ln 1.
Col 2

Pg 4, Ln 4.
Col 1

2011 Annual Report of the
Rice County Mutual Insurance Company

Exhibit 8
Expenses

	1	2	3	4
	Paid During Year	Unpaid Dec 31 Current Year	Unpaid Dec 31 Prior Year	Incurred Current Year Col 1+2-3
Operating Expenses				
1 Advertising	2,180	-	-	2,180
2 Boards, bureaus and associations	3,699	-	-	3,699
3 Commissions	47,571	553	939	47,185
3a Less commissions on reinsurance	(2,903)			(2,903)
3b Less commissions on general agency	-			-
4 Contributions	-			-
5 Conventions, meetings and education	2,415			2,415
6 Directors fees	4,095			4,095
7 Employee benefits	841	-	-	841
8 Inspection and loss prevention	763	-	-	763
9 Insurance and bonding	3,994	-	-	3,994
10 Interest expense on borrowed money	-			-
11 Legal and auditing	6,220	-	-	6,220
12 Loss adjustment expense	55			55
13 Office equipment and maintenance	-			-
14 Payroll taxes	1,324	378	379	1,323
15 Postage, telephone and exchange	2,333	-	-	2,333
16 Printing and stationery	2,238	-	-	2,238
17 Rent and lease expense	6,600			6,600
18 Salaries	15,600			15,600
19 State taxes and fees	4,621	-	166	4,455
20 Travel and travel items	262	-	-	262
21 Utilities	649	-	-	649
22 Depreciation on furniture and fixtures	-			-
23 Leased office staff	11,400	-	-	11,400
24	-			-
25 Total - Operating Expenses	113,957	931	1,484	113,404
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	84			84
31 Total Investment Expenses	84	-	-	84
32 Total Expenses	114,041	931	1,484	113,488

Pg 12, Exh 11, Pg 3, Ln 2, Pg 3, Ln 2,
Ln 13 Col 1 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	-			
2 Cash deposited in checking accounts - Schedule A, Total, Col. 6	76,441			76,441
3 Cash deposited at interest - Schedule B, Total, Col. 8	917,196			917,196
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	1,893,272			1,893,272
6 Investment company shares - Schedule E-Part 1, Total, Col. 5	45,663			45,663
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	3,687			3,687
11 Investment income due and accrued - Exh. 1, Total, Col. 3	21,816			21,816
12 **Unpaid assessments receivable - Exh. 4, Total, Col. 7	-			-
13 Reinsurance recoverable on losses paid - Exh. 5, Total, Col. 5	2,622			2,622
14 *Electronic data processing equipment (cost less depreciation)	-			-
15 Funds due from reinsurance (other than losses) - Exh. 7, Total, Col. 4	-			-
16 Federal tax refund receivable	-			-
17 Premium tax refund receivable	391			391
18 Furniture, fixtures and automobiles	-			-
19 Accounts receivable	498			498
20 Reinsurance premium overpayment	-			-
21 Fire extinguishers	-			-
22 Fire alarms	-			-
23 Prepaid expenses	-			-
24 Totals	3,011,270	21,816	-	3,033,086

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			
5 Fire extinguishers			
6 Fire alarms			
7 Prepaid expenses			
8 EDP 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)			
		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)			

*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	253,885
2	Assessment income received-Exh. 4, Col. 6	-
3	From sale or maturity of ledger assets-Exh. 2, Ln. 8, Col. 1	8,539
4	Investment income received-Exh. 1, Ln. 8, Col. 1 and 2	123,689
5	Amounts withheld for the account of others	-
6	Borrowed money repaid [gross]	-
7	Funds payable on reinsurance	1,403
8	Federal taxes paid	-
9	Rounding	-
10		-
11	Total (Items 1-10)	387,516

Decrease in Ledger Assets

12	Net losses paid-Exh. 5, Col. 6	132,769
13	Expense paid-Exh. 8, Ln. 32, Col. 1	114,041
14	From sale or maturity of ledger assets-Exh. 2, Ln. 8, Col. 2	-
15	Amounts withheld for account of others	78
16	Borrowed money [gross]	-
17	Funds payable on reinsurance	-
18	Federal taxes paid	-
19	Rounding	2
20		-
21	Total (Items 12-20)	246,890

Reconciliation Between Years

22	Total ledger assets at December 31 of prior year (Exh. 9, Ln. 22, Col. 1, Prior Year)	2,870,644
23	Increase or decrease in ledger assets during the year (Ln. 11 minus Ln. 21)	140,626
24	Total ledger assets at December 31 of current year (Exh. 9, Ln. 24, Col. 1)	3,011,270

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 99, Faribault MN 55021-0069	120,869	44,428			76,441
2					-
3					-
4					-
5					-
6					-

Total

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

Exh 9, Ln 2,
Col 1

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	1025	V	A	06/24/96	XXXXXXX	10,000	-	
2 RAM Mutual Insurance Company	1060	V	A	02/09/98	XXXXXXX	10,000	-	
3 RAM Mutual Insurance Company	2013	V	A	07/01/02	XXXXXXX	20,000	-	
4 RAM Mutual Insurance Company	2080	V	A	04/17/03	XXXXXXX	30,000	-	
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
Totals						70,000		

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

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

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	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Suntrust Bk 5.2% 1/17/17	86787GAD4	C	5.200	S	08/26/09	01/17/17	3.065	4,000	4,191	3,065	208	95	153	-
2 Citigroup Inc 6.125% 11/12/17	172987EN9	C	6.125	S	09/16/09	11/12/17	19.984	20,000	21,345	19,984	1,225	136	1	-
3 Merrill Lynch & Co 6.5% 7/15/18	590188JF6	C	6.500	S	07/27/09	07/15/18	9.833	10,000	9,704	9,833	650	300	19	-
4 SLM Corporation Step Up	78480FKZ1	C	4.500	S	01/31/05	06/15/24	55,000	55,000	45,421	55,000	3,410	152	-	-
5 GE Capital Corporation	369868RG14	C	5.000	M	06/26/03	07/15/28	30,000	30,000	29,563	30,000	1,500	67	-	-
6 Bank of America	06050DXNU3	C	5.800	S	12/16/03	12/15/28	20,000	20,000	15,829	20,000	1,160	52	-	-
7 JP Morgan Chase & Co 6% 5/1/29	46627BAM3	C	6.000	Q	06/11/09	05/01/29	13,132	14,000	13,860	13,132	840	140	25	-
8 Bank America Corp	06050XRT2	C	5.750	S	01/06/11	08/15/29	24,835	25,000	20,004	24,835	855	543	9	-
9 JP Morgan Chase & Co 4.5% 6/1/2031	48124ASMD	C	4.500	S	05/06/11	06/11/30	50,145	50,000	49,323	50,145	1,313	129	-	8
10 Morgan Stanley Step 5% 7/30/30	61745E2C4	C	5.000	S	07/29/10	07/30/30	25,000	25,000	22,952	25,000	1,250	524	-	-
11 Morgan Stanley DW DRS SR Notes	61745EN56	C	5.000	S	10/19/10	10/15/30	49,961	50,000	45,120	49,961	2,500	528	51	-
12 Prudential Fin Inc 6% 2/15/32	74432AB82	C	6.000	S	02/20/07	02/15/32	10,000	10,000	9,999	10,000	600	227	-	-
13 Sara Lee Corp	803111AM5	C	6.125	S	01/06/11	11/01/32	24,828	25,000	25,746	24,828	1,234	255	8	-
14 Goldman Sachs Group 6.125% 2/15/33	38141GCU8	C	6.125	S	06/24/10	02/15/33	19,957	20,000	19,380	19,957	1,225	463	2	-
15 Genworth Global Fund 6.25% 6/15/33	37248JBK7	C	6.250	S	06/09/08	06/15/33	40,000	40,000	38,708	40,000	2,500	111	-	-
16 Citigroup Inc 6% 10/31/33	172987CC3	C	6.000	S	08/18/10	10/31/33	19,854	20,000	17,134	19,854	1,200	203	3	-
17 Assurant Inc 6.75% 2/15/34	04621XAD0	C	6.750	S	03/22/10	02/15/34	29,537	30,000	31,180	29,537	2,025	765	8	-
18 Merrill Lynch Co	59018YTVM3	C	6.050	S	12/17/09	06/01/34	20,429	21,000	16,115	20,429	1,271	106	11	-
19 SBC Comm Inc 6.15% 9/15/34	78387GAQ6	C	6.150	S	02/16/10	09/15/34	37,000	37,000	43,892	37,000	2,276	670	-	-
20 Cincinnati Fin Corp 6.12% 11/1/34	1729862AE1	C	6.125	S	06/24/10	11/01/34	69,503	71,000	70,556	69,503	4,349	725	58	-

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	Purchase Date	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 Wellpoint Inc 5.98% 12/15/34	94973VAH0	C	5.950	S	11/18/09	12/15/34	19,907	20,000	23,631	19,907	1,190	53	2	-
22 Kinder Morgan Energy 5.83% 3/15/35	494550AT3	C	5.800	S	10/21/09	03/15/35	67,367	70,000	72,131	67,367	2,932	1,195	53	-
23 Newmont USA LTD 5.875% 4/1/35	651639AE6	C	5.875	S	11/16/09	04/01/35	28,889	30,000	33,966	28,889	1,763	441	20	-
24 El Paso Elec Co 6% 5/15/35	283677AW2	C	6.000	S	05/25/10	05/15/35	29,975	30,000	35,427	29,975	1,800	230	1	-
25 Selective Ins Group 6.7% 11/1/35	816300AG2	C	6.700	S	09/01/10	11/01/35	28,356	30,000	29,149	28,356	2,010	335	25	-
26 Lincoln National Corp	534187AR0	C	6.150	S	10/17/11	04/07/36	49,142	50,000	50,221	49,142	(111)	718	34	-
27 Goldman Sach Group 6.45% 5/1/36	381431YAC7	C	6.450	S	04/27/10	05/01/36	42,910	45,000	40,604	42,910	2,903	484	84	-
28 Principal Finl Group 6.05% 10/15/36	74231VA00	C	6.050	S	04/21/10	10/15/36	38,115	38,000	39,937	38,115	2,299	485	2	-
29 Merrill Lynch & Co 6.11% 1/29/37	59022CAJ2	C	6.110	S	09/17/10	01/29/37	26,635	27,000	20,815	26,635	1,650	697	6	-
30 JP Morgan Chase & Co 5.8% 3/15/37	46627BDK4	C	5.800	S	03/05/10	03/15/37	9,752	10,000	9,683	9,752	580	171	4	-
31 Cilligroup Inc Glob 5.875% 5/29/37	172967EC1	C	5.875	S	08/09/10	05/29/37	29,776	30,000	29,963	29,776	1,763	157	3	-
32 Valero Energy Corp 6.625% 6/15/37	91931YAL4	C	6.625	S	09/24/09	06/15/37	44,668	46,000	49,323	44,668	3,048	135	161	-
33 GE Cap Corp 6.15% 8/7/37	36982G3A0	C	6.150	S	03/05/10	08/07/37	19,710	20,000	21,878	19,710	1,230	492	4	-
34 JP Morgan Chase & Co 6.25% 11/1/53	46627BFB2	C	6.250	M	01/21/09	11/15/37	9,712	10,000	10,010	9,712	625	28	8	-
35 Berkshire Hathaway	084684BL4	C	5.750	S	10/18/11	01/15/40	44,443	39,000	46,273	44,443	(598)	1,034	187	-
36 AFLAC Inc Note Mkt Whole	001055AF9	C	6.450	S	09/08/11	08/15/40	54,109	50,000	52,956	54,109	(251)	1,218	142	-
37 AT&T Inc Global Notes	04650NAB0	C	5.350	S	06/21/11	09/01/40	73,695	75,000	84,368	73,695	680	1,338	45	-
38 Capital One BK VA 4.75% 11/28/12	14041AUG2	CD	4.750	S	11/28/07	11/28/12	45,000	45,000	46,847	45,000	2,138	199	-	-
39 Federal Farm Credit Bank Bonds	31331KWB5	G	3.680	S	11/22/11	11/28/25	30,540	30,000	30,134	30,540	-	101	39	-
40 FNMA Group 2459	31360CVU02	M	8.500	M	05/18/07	06/01/15	2	2	2	2	-	-	-	-

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	
41 FNR 2003-113 KA 4 5%	31393T2P0	M	4.500	M	06/09/09	11/25/18	8.901	8.651	8.844	8.901	588	7	-	
42 FHL/MC REMIC 1096E	312905339	M	7.000	M	06/09/93	06/15/21	372	372	411	372	29	1	-	
43 FHL/MC 90 181 E	312904AU9	M	6.784	M	10/29/93	08/15/21	80	80	87	80	6	-	-	
44 FHRL 1122G	312906/S6	M	7.000	M	06/30/93	08/15/21	147	146	165	147	11	-	-	
45 GNMA 2005-25 AC 5%	38374LZY0	M	5.000	M	09/22/08	06/20/31	1,571	1,571	1,582	1,571	212	2	-	
46 Bank of America 2003-6 1A14	05948XQN4	M	5.500	M	09/25/07	08/25/33	2,000	1,994	1,994	1,972	623	2	729	
47 CWALT 2004-28 RA3	12659GFA4	M	5.500	M	11/24/04	08/25/33	35,000	35,000	34,896	35,000	1,924	32	-	
48 FHAS12003-7 1A9	32051DA36	M	5.250	M	09/30/03	09/25/33	3,499	3,499	3,720	3,722	3,499	671	3	
49 First Horizon 03-8 1A7	320510F23	M	5.000	M	07/16/03	10/25/33	30,000	30,000	29,149	30,000	1,575	26	-	
50 Banc of America 2004-1 1A6 5.5%	05948XY57	M	5.500	M	12/28/07	02/25/34	5,547	6,830	6,823	5,547	451	6	642	
51 GNR 2004-26D	38874F3H5	M	5.250	M	08/25/04	04/16/34	31,299	31,725	33,500	31,299	1,666	69	106	
52 FNR 2004-021 JH	31353XQ23	M	5.500	M	12/25/05	04/25/34	5,756	5,877	6,282	5,796	491	5	20	
53 FNR 2004-060	999222HA3	M	5.250	M	07/30/04	04/25/34	18,343	18,343	20,127	18,343	1,015	17	-	
54 Countywide 2004-4A9	12659FRL9	M	5.500	M	04/01/04	05/25/34	20,000	20,000	19,646	20,000	1,101	18	-	
55 CWHL 2004-5 2A17	999222GK2	M	5.250	M	04/30/04	05/25/34	22,065	22,289	22,463	22,065	1,311	20	37	
56 CWALT 2004-16 CB 4A3	12657FMC6	M	6.000	M	07/02/04	08/25/34	50,000	48,206	50,000	48,206	3,002	50	-	
57 GNMA 2004-87 BC 4 5%	38374JMC7	M	4.500	M	01/27/09	10/20/34	20,000	20,000	22,584	20,000	900	28	-	
58 GNMA 2005-013 BG	38374KU7	M	5.000	M	05/27/05	02/20/35	34,942	35,000	40,579	34,942	1,750	53	3	
59 IWAMU 2005-3 1A5	9393365C3	M	5.500	M	04/19/05	05/25/35	20,000	20,000	14,693	20,000	1,100	18	-	
60 GNMA 2005-051 DC	38374LXL0	M	5.000	M	07/19/05	07/20/35	17,000	17,000	18,322	17,000	850	26	-	

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	
61 CS 1st Boston 2005-3 JA2	225458JX7	M	5.500	M	03/17/05	07/25/35	20,000	20,000	20,000	20,000	1,100	18	-	
62 Banc of America 2005-6 2A1 5% 5%	05946XN41	M	5.500	M	06/25/07	10/25/35	1,635	2,940	2,914	1,635	447	3	326	
63 CWSL 2005-46 CB A-3	12667GAV8	M	5.500	M	08/25/05	10/25/35	53,295	55,000	49,481	53,295	3,035	50	190	
64 CWSL 2005-53 T2 2A3	12667GAKR5	M	5.500	M	09/25/05	11/25/35	20,000	20,000	12,250	20,000	1,103	18	-	
65 CWSL 2005-53 T2 2A4	12668A1KS3	M	5.500	M	10/21/05	11/25/35	10,000	10,000	6,125	10,000	551	9	-	
66 CWSL 2005-64CB 1A3	12668AZN8	M	6.000	M	12/23/05	11/25/35	26,000	26,000	17,910	26,000	1,565	30	-	
67 Banc of America 2005-8 4A10 5.75%	05946XZF9	M	5.750	M	11/01/07	01/25/36	1,387	1,808	1,777	1,387	372	2	421	
68 Credit Suisse 2006-1 4A5	225470VU4	M	5.500	M	01/25/06	02/25/36	31,803	33,000	27,065	31,803	1,815	30	299	
69 BOAMIS 2006-2 2A22	05949QBB06	M	6.000	M	03/20/06	03/25/36	15,000	15,000	13,518	15,000	900	15	-	
70 CWSL 2005-12 1A4	126694H43	M	5.500	M	04/20/06	04/25/36	53,406	55,223	40,920	55,223	3,387	55	202	
71 CWSL 2006-24 CB A3	02146TAC1	M	6.000	M	10/31/06	06/25/36	23,504	22,994	15,602	23,504	1,469	23	128	
72 FNMA 2006-113 CC	31396LY79	M	5.750	M	11/30/06	12/25/36	2,000	2,000	2,021	2,000	220	2	-	
73 First Horizon 06-4 1A17	320521UAS2	M	6.000	M	01/23/07	02/25/37	20,000	20,000	16,884	20,000	1,200	20	-	
74 Banc of America 2006-5 CB3 6%	05950BAC8	M	6.000	M	05/22/07	06/25/46	24,321	24,007	16,239	24,321	1,494	24	208	
75 GNMA 223455	36218JE48	M	9.500	M	12/14/07	11/15/17	321	321	321	321	33	2	-	
76							-	-	-	-	-	-	-	
77							-	-	-	-	-	-	-	
78							-	-	-	-	-	-	-	
79							-	-	-	-	-	-	-	
80							-	-	-	-	-	-	-	
Totals							1,893,272	1,881,899	1,845,186	1,893,272	95,208	16,386	3,995	

* CUSIP # obtained from broker
** Type C=Corporate, CD=Broker CD (i.e. Tradable CDs), G=Municipal City, State or Federal Bond, M=Mortgage Backed Bond
*** Payable M=Monthly, Q=Quarterly, S=Semi-Annual, A=Annual, CS=Compound Semi-Annual
**** Gross amount of interest received during year less amount paid for accrual

Exh 1,

Ln 3,

Col 1

Exh 1,

Ln 3,

Col 2

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)				Name of Purchaser	Consideration Received	Book Value at Disposal Date	Par Value					
	Custip # ID			Disposal Date								
1	FHLMC 2857X	31395FTW4	Fell & Co	01/15/11	981	981						5
2.	FHLMC 2879 BB	31395GTH5	Fell & Co	03/15/11	8,000	8,000						60
3	Cliccorp 2003-5 1A7 5.5%	172973PH6	Fell & Co	02/25/11	1,924	1,924						12
4	United Health Group 5.8% 3/15/26	91324PAR3	Fell & Co	06/27/11	31,305	30,188	30,000			1,117		1,423
5	Loews Corp 6% 2/1/35	540424AP3	Fell & Co	09/08/11	30,904	29,521	30,000			1,383		2,010
6	Wachovia Corp New 5.5% 8/1/35	929903AM4	Fell & Co	07/21/11	33,682	32,357	35,000			1,325		1,898
7	Wal-Mart Stores Inc NT	931142CV3	Fell & Co	10/14/11	53,582	48,868	50,000			4,714		528
8	FHR 3007 GW	31395WEM5	Fell & Co	10/15/11	4,717	4,717						83
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
Totals-----					165,095	156,556	160,322			8,539		6,019
								Exh 1, Ln 3	Exh 2, Ln 1, Col 1	Exh 1, Ln 1, Col 2	Exh 2, Ln 1, Col 2	Exh 1, Ln 3, Col 1

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

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

Col 1

300

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 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 Namico Stock Certificate # 251	629895105	30	1988	1,500	220.37	6,611	6,611	1,500	
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
Total				1,500		6,611	6,611	1,500	
Exh 9, Ln 7, Col 1									
Exh 1, Ln 5, Col 1									
Exh 1, Ln 5, Col 3									

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

1	2	3	4	5	6	7	8	9	10
Description (complete and accurate)	Cusip # ID	Name of Purchaser	Disposal Date	Number of Shares	Consideration Received	Actual Cost	Profit on Disposal	Loss on Disposal	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									

Exh 2, Ln 5,
Col 1

Exh 2, Ln 6,
Col 2

Exh 1, Ln 6,
Col 1

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

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

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	Book Value	Rental Income Received
						Dec. 31	Prior Year Col 7	
1 None					-			-
2								-
3								-
4								-
5								-
6								-
7								-
8								-
9								-
10								-
Totals					-			-

Exh 9, Ln 9,
Col 1

Exh 1, Ln 7,
Col 1

Schedule H-Part 2
Real Estate Sold or Otherwise Disposed of During the Year

1 Description of Property (Include location and year acquired)	2 Disposal Date	3 Name of Purchaser	4 Book Value at Date of Sale, Less Encumbrances	5 Amount Received	6 Profit on Sale	7 Loss on Sale	8 Gross Income
1 None							
2							
3							
4							
5							
6							
7							
8							
9							
Totals							

*Exh 2,
Ln 4,
Col 1*

*Exh 1,
Ln 7,
Col 1*

*Exh 2,
Ln 4,
Col 2*

*Exh 1,
Ln 7,
Col 1*

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						945	10	3	955	
2 Vice-President	Orville Wagner	Yes						375			375	
3 Secretary	Allen Ross	Yes						1,170	32	3	1,202	
4 Treasurer	Donald O'Neil	Yes						55	87	1,005	220	
5 Total Officers								55	87	3,495	252	
6 Director	Jeff La Canna	Yes						240			240	
7 Director	Robert Heine	Yes						15	360	6,600	4	
8 Director											6,975	
9 Director											-	
10 Director											-	
11 Director											-	
12 Director											-	
13 Director											-	
14 Director											-	
15 Total Directors								15	600	6,600	7,215	
16 Manager	Donald O'Neil	Yes	15,600	1,849	2,388						19,837	
17 Employee											-	
18 Employee											-	
19 Employee											-	
20 Employee											-	
21 Employee											-	
22 Agent	Heine Agency					28,767			11,400	5	40,167	
23 Agent											-	
24 Agent											-	
25 Agent											-	
26 Agent	Overflow Page					16,416					16,416	
27 Total Employees and Agents						15,600	1,849	47,571			76,420	
28 Legal	Willenbring & Dahl										-	
29 Accounting	Overflow Page										-	
30 Auditing	Jim Banta CPA, PA										-	
31 Adjusting	Overflow Page										-	
32 Inspecting	Overflow Page										-	
33 Consulting											-	
34 Total for Independent Services									6,220		6,220	
35 Total Lines 5, 15, 27, and 34											95,754	

FOOTNOTES (reference #)

(1) Auditing & Accounting

(2) Legal

(3) Travel

(4) Rent

(5) Leased Employee

(6) _____

(7) _____

(8) _____

(9) _____

(10) _____

(11) _____

(12) _____

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						
Gross written premium (Exh. 3, Col. 2, plus 3)	320,119	356,959	342,330	406,359	426,956	423,379
1 divided by policyholder's surplus (Pg. 3, Ln. 17)	2,870,896	2,709,921	2,503,363	2,240,825	2,090,253	1,898,640
equals the gross written premium ratio of	11.2%	13.2%	13.7%	18.1%	20.9%	22.8%
Net Written Premium Ratio						
Net written premiums (Exh. 3, Col. 6)	253,885	292,619	264,477	333,505	350,045	339,013
2 divided by policyholder's surplus (Pg. 3, Ln. 17)	2,870,896	2,709,921	2,503,363	2,240,825	2,090,253	1,898,640
equals the net written premium ratio of	8.8%	10.8%	10.6%	14.9%	16.7%	17.9%
Gross Loss Ratio						
Gross losses paid (Exh. 5, Col. 2, plus 3)	58,9156	111,153	50,814	181,008	149,137	126,124
3 divided by gross written premiums (Exh. 3, Col. 2, plus 3)	320,119	356,959	342,330	406,359	436,956	433,379
equals the gross loss ratio of	18.40%	31.0%	14.8%	44.5%	34.1%	29.1%
Net Loss Ratio						
Net losses paid (Exh. 5, Col. 6)	132,769	94,629	48,249	162,554	149,137	126,124
4 divided by net written premiums (Exh. 3, Col. 6)	253,885	292,619	264,477	333,505	350,045	339,013
equals the net loss ratio of	52.3%	32.3%	18.2%	48.7%	42.6%	37.2%
Operating Expense Ratio						
Operating expenses paid (Exh. 8, Ln. 25, Col. 1)	113,957	121,528	118,266	121,180	126,856	141,721
5 divided by gross written premiums (Exh. 3, Col. 2, plus 3)	320,119	356,959	342,330	406,359	436,956	433,379
equals the operating expense ratio of	35.6%	33.9%	34.5%	29.8%	29.0%	32.7%
Investment Yield						
Investment income earned (Exh. 1, Ln. 10, Col. 5)	125,722	127,882	113,162	115,540	112,683	101,157
6 divided by the sum of admitted assets (Pg. 2, Ln. 1 thru 9, Col. 1)	3,004,072	2,850,022	2,656,281	2,430,940	2,262,827	2,073,491
equals the investment yield of	4.2%	4.5%	4.3%	4.8%	5.0%	4.9%
Change in Surplus Ratio						
Stated surplus current year (Pg. 3, Ln. 17, Col. 1)	2,870,896	2,709,921	2,503,363	2,240,825	2,090,253	1,898,640
7 less stated surplus prior year (Pg. 3, Ln. 17, Col. 2)	2,709,921	2,503,363	2,240,825	2,090,253	1,898,639	1,700,814
equals change in surplus current year (Pg. 4, Ln. 25, Col. 1)	160,975	206,538	262,538	150,572	191,614	197,826
divided by stated surplus prior year (from above)	2,709,921	2,503,363	2,240,825	2,090,253	1,898,639	1,700,814
equals the change in surplus ratio of	5.8%	8.3%	11.7%	7.2%	10.1%	11.6%

2011 Annual Statement of the
Rice County Mutual Insurance Company

General Interrogatories

1 (a) Have any amendments been made to the Company's Articles of Incorporation or Bylaws during the past year?	No
(b) If so, have all amendments been filed with the Commissioner of Commerce?	N/A
(c) What date were the amendments filed?	N/A
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	<p>North Star & RAM Mutual-Farmowners & Package Policies</p> <p>Spring Valley Mutual-Farmowners & Package Policies</p> <p>Packaging companies cover the perils that the mutual cannot be statutes insure</p>
(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>	<p>Dakota Dodge Goodhue Le Sueur Rice</p> <p>Scott Steele Waseca</p>
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>	<p>Hastings Shakopee</p>
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?	5.5
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	Howard Schoenfeld \$2,676.56 on 6/27/2011
(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?	28
(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?	12/31/10
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?	N/A
If YES, list names and addresses	
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

2011 Annual Statement of the
Rice County Mutual Insurance Company

General Interrogatories (continued)

25 Homeowners direct written premium \$ 37,530
Homeowners direct losses paid \$ 5,031
Homeowners direct loss ratio 13%

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 50%

Number of Policyholders / Insurance in Force

1 December 31 of Prior year	Number of policyholders	<u>647</u>	Insurance in Force	<u>266,009,928</u>
2 Net addition or deduction for the year	Number of policyholders	<u>(35)</u>	Insurance in Force	<u>(10,187,523)</u>
3 December 31 of Current year	Number of policyholders	<u>612</u>	Insurance in Force	<u>255,822,405</u>

2011 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				210						210
Truax and Associates				990						990
House of Insurance				1,984						1,984
Tupy Agency				1,877						1,877
Farbo Agency				665						665
GMI-Ritter Agency				1,537						1,537
Fliceck Agency				7,172						7,172
Butler Agency				438						438
Lawrence Bohmbach				963						963
Heartman Agency				247						247
Miller Hartwig Agency				333						333
										-
										-
										-
										-
										-
										-
Totals		-	-	16,416	-	-	-	-		16,416

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

Overflow write-ins