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990

Form

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Department 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

2012

Open to Public
Inspection

A For the 2012 calendar year, or tax year beginning

, 2012, and ending

, 20

B Check if applicable

Address change
 Name change
 Initial return
 Terminated
 Amended return
 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

D Employer identification number

41-0502642

Room/suite

(507) 334-8145

City, town or post office, state, and ZIP code

Fanbault MN 55021-5117

E Telephone number

(507)

G Gross receipts \$ 2,203,417

F Name and address of principal officer Howard Schoenfeld-President
5811 NW 86th Street, Fanbault MN 55021H(a) Is this a group return for affiliates? Yes NoH(b) Are all affiliates included? Yes No

If "No," attach a list (see instructions)

I Tax-exempt status 501(c)(3) 501(c)(15) (insert no) 4947(a)(1) or 527

H(c) Group exemption number ►

J Website: ► None

K Form of organization Corporation Trust Association Other ►

L Year of formation 1895

M State of legal domicile MN

Part I Summary

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 ► 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 2012 (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

b Net unrelated business taxable income from Form 990-T, line 34 7b 0

Prior Year Current Year

8 Contributions and grants (Part VIII, line 1h) 0

9 Program service revenue (Part VIII, line 2g) 320,119 329,662

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 134,345 119,216

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) 454,464 448,878

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) 136,716 46,978

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-19) 72,441 45,259

16 a Professional fundraising fees (Part IX, column (A), line 11e) 0 0

b Total fundraising expenses (Part IX, column (D), line 25) 84,332 144,399

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24) 293,489 236,636

18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) 160,975 212,242

19 Revenue less expenses Subtract line 18 from line 12 0

Beginning of Current Year

End of Year

20 Total assets (Part X, line 16) 3,033,086 3,247,971

21 Total liabilities (Part X, line 26) 162,191 165,286

22 Net assets or fund balances Subtract line 21 from line 20 2,870,895 3,082,685

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 | ► <i>Donald O'Neil - Jr.</i> Signature of officer <i>DONALD O'NEIL</i> Type or print name and title | 4-4-2013 Date |
|-----------|--|------------------|

| | | | | |
|------------------------|---|---|-------------------------|--|
| Paid Preparer Use Only | Print/Type preparer's name James Williams, CPA Firm's name ► Jim Barta CPA PA Firm's address ► 401 Sherman St, PO Box 1879, N Mankato, MN 56002-1879 | Preparer's signature <i>James Williams</i> | Date 3/20/2013 | Check <input type="checkbox"/> if self-employed PTIN P00737655 |
| | | | Firm's EIN ► 20-1991134 | Phone no (507) 625-4245 |
| | | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

May the IRS discuss this return with the preparer shown above? (see instructions)

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2012)

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 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 \$ 144,399 including grants of \$ 0) (Revenue \$ 448,878)

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

Number of Members: 608

Insurance in Force 263,903,769

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 ► 144,399

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, for escrow or custodial account liability, 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 and XII

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 and XII 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 a copy of 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) | | |
| a | A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | 28a | X |
| b | A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | 28b | X |
| c | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV | 28c | X |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | 29 | X |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | 30 | X |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | 31 | X |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | 32 | X |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I | 33 | X |
| 34 | Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and V, line 1. | 34 | X |
| 35 a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a | X |
| b | If "Yes" to line 35a, 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 | 35b | 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 | 36 | X |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | 37 | X |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O | 38 | X |

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

| | | Yes | No |
|------|--|-----|-----|
| 1 a | Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable | 1a | 3 |
| 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 | N/A |
| 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? <i>If "No," provide an explanation in Schedule O</i> | 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 | 5a | X |
| c | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5b | X |
| d | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 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 as charitable contributions? | 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). | 7a | N/A |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7b | N/A |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7c | N/A |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7d | |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7e | N/A |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7f | N/A |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7g | N/A |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7h | N/A |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 8 | N/A |
| 8 | Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | 9a | N/A |
| 9 | Sponsoring organizations maintaining donor advised funds. | 9b | N/A |
| a | Did the organization make any taxable distributions under section 4966? | 10a | |
| b | Did the organization make a distribution to a donor, donor advisor, or related person? | 10b | |
| 10 | Section 501(c)(7) organizations. Enter | 11a | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 11b | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 12a | N/A |
| 11 | Section 501(c)(12) organizations. Enter | 12b | |
| a | Gross income from members or shareholders | 13a | N/A |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) | 13b | |
| 12 a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 13c | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 14a | X |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | 14b | N/A |
| a | Is the organization licensed to issue qualified health plans in more than one state? | | |
| b | <i>Note. See the instructions for additional information the organization must report on Schedule O</i> | | |
| c | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | | |
| 14 a | Did the organization receive any payments for indoor tanning services during the tax year? | | |
| b | If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i> | | |

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

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?

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?

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a significant diversion of the organization's assets?

6 Did the organization have members or stockholders?

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?

b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body?

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

| | Yes | No |
|----|-----|----|
| 1a | | |
| 1b | | |
| 2 | | X |
| 3 | | X |
| 4 | | X |
| 5 | | X |
| 6 | X | |
| 7a | X | |
| 7b | | X |
| 8a | X | |
| 8b | X | |
| 9 | | X |

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

10 a Does the organization have local chapters, branches, or affiliates?

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?

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

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

13 Did the organization have a written whistleblower policy?

14 Did the organization have a written document retention and destruction policy?

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?

a The organization's CEO, Executive Director, or top management official

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?

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?

| | Yes | No |
|-----|-----|----|
| 10a | | X |
| 10b | N/A | |
| 11a | | X |
| 12a | | X |
| 12b | N/A | |
| 12c | N/A | |
| 13 | | X |
| 14 | | X |
| 15a | X | |
| 15b | X | |
| 16a | | X |
| 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

Own website Another's website Upon request Other (explain in Schedule O)

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

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 (list any hours for related organizations below dotted line) | (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 |
|-----------------------------------|---|--|-----------------------|---------|--------------|---------------------|---|---|--|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated | | | |
| (1) Howard Schoenfeld-President | Part-Time | X | | X | | | 1,060 | | |
| (2) Orville Wegner-Vice-President | Part-Time | X | | X | | | 375 | | |
| (3) Allen Ross-Secretary | Part-Time | X | | X | | | 1,220 | | |
| (4) Jeff La Canne-Director | Part-Time | X | | | | | 300 | | |
| (5) Robert Heine-Director | Part-Time | X | | | | | 7,560 | | |
| (6) Don O'Neil-Treasurer | Part-Time | | | | X | | 19,163 | | 2,829 |
| (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 (list any hours for related organizations below dotted line) | (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 employee | Former | | |
| (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 | | | | | | | | 29,678 | 0 | 2,829 |
| d Total (add lines 1b and 1c) | | | | | | | | 29,678 | 0 | 2,829 |

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 RevenueCheck if Schedule O contains a response to any question in this Part VIII

| | | (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 | 329,662 | 329,662 | 0 | |
| | b | | 0 | | | |
| | c | | 0 | | | |
| | d | | 0 | | | |
| | e | | 0 | | | |
| | f All other program service revenue . | | 0 | | | |
| g Total. Add lines 2a-2f ► | | 329,662 | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) ► | | 125,205 | 125,205 | 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 | 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 | 1,748,550 | | | | |
| | c Gain or (loss) | 1,754,539 | | | | |
| d Net gain or (loss) ► | (5,989) | | (5,989) | 0 | 0 | |
| 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 | | | | |
| 12 Total Revenue. See instructions ► | | 448,878 | 448,878 | 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)

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

| <i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i> | | (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 | 46,978 | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees | 32,507 | | | |
| 6 | Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 | Other salaries and wages | 11,400 | | | |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 | Other employee benefits | 0 | | | |
| 10 | Payroll taxes | 1,352 | | | |
| 11 | Fees for services (non-employees) | | | | |
| a | Management | | | | |
| b | Legal | | | | |
| c | Accounting | 6,470 | | | |
| d | Lobbying | | | | |
| e | Professional fundraising services See Part IV, line 17 | | | | |
| f | Investment management fees | | | | |
| g | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) | | | | |
| 12 | Advertising and promotion | 2,201 | | | |
| 13 | Office expenses | 9,352 | | | |
| 14 | Information technology | | | | |
| 15 | Royalties | | | | |
| 16 | Occupancy | 1,549 | | | |
| 17 | Travel | 0 | | | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 | Conferences, conventions, and meetings | 1,833 | | | |
| 20 | Interest | 0 | | | |
| 21 | Payments to affiliates | | | | |
| 22 | Depreciation, depletion, and amortization | 51 | | | |
| 23 | Insurance | 4,285 | | | |
| 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 | 4,377 | | | |
| b | Commissions | 46,151 | | | |
| c | Adjusting and Inspecting | 161 | | | |
| d | Reinsurance Premium | 63,886 | | | |
| e | All other expenses Change in UEP | 4,083 | | | |
| 25 | Total functional expenses. Add lines 1 through 24e | 236,636 | | | |
| 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 SheetCheck if Schedule O contains a response to any question in this Part X

| | | (A) Beginning of year | | (B) End of year |
|------------------------------------|--|--------------------------|----|--------------------|
| Assets | 1 Cash—non-interest-bearing | 76,441 | 1 | 16,848 |
| | 2 Savings and temporary cash investments | 32,302 | 2 | 137,816 |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | | 4 | |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | 5 | |
| | 6 Loans and other 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) Complete Part II of Schedule L | | 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 | 2,895,332 | 11 | 3,058,934 |
| | 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 | 29,011 | 15 | 34,373 |
| | 16 Total assets. Add lines 1 through 15 (must equal line 34) | 3,033,086 | 16 | 3,247,971 |
| Liabilities | 17 Accounts payable and accrued expenses | 1,519 | 17 | 2,198 |
| | 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 Loans and other 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 | 160,672 | 25 | 163,088 |
| | 26 Total liabilities. Add lines 17 through 25 | 162,191 | 26 | 165,286 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here ► <input type="checkbox"/> and 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 (ASC 958), 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 | 2,870,895 | 32 | 3,082,685 |
| | 33 Total net assets or fund balances | 2,870,895 | 33 | 3,082,685 |
| | 34 Total liabilities and net assets/fund balances | 3,033,086 | 34 | 3,247,971 |

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 | 448,878 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 236,636 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 212,242 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 2,870,895 |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | (452) |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 3,082,685 |

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

1 Accounting method used to prepare the Form 990 Cash Accrual 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?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis

b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis

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

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?
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

| | Yes | No |
|----|-----|-----|
| 2a | X | |
| 2b | X | |
| 2c | X | |
| 3a | | N/A |
| 3b | | N/A |

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► 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.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization

Employer identification number

Rice County Mutual Insurance Company

41-0502642

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

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

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

| | |
|--|--|
| 1 Purpose(s) of conservation easements held by the organization (check all that apply). | <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of an historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space |
| 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. | |
| a Total number of conservation easements | |
| b Total acreage restricted by conservation easements | |
| c Number of conservation easements on a certified historic structure included in (a) | |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | |
| 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► | |
| 4 Number of states where property subject to conservation easement is located ► | |
| 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► | |
| 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ | |
| 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 9 In Part XIII, 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 XIII, the text of the footnote to its financial statements that describes these items. |
| b | If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: |
| (i) | Revenues included in Form 990, Part VIII, line 1 ► \$ |
| (ii) | Assets included in Form 990, Part X ► \$ |
| 2 | If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: |
| a | Revenues included in Form 990, Part VIII, line 1 ► \$ |
| b | Assets included in Form 990, Part X ► \$ |

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

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

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

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

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 XIII 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 XIII. Check here if the explanation has been provided in Part XIII

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:

(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 XIII the intended uses of the organization's endowment funds.

| Yes | No |
|---------------|----|
| 3a(i) | |
| 3a(ii) | |
| 3b | |

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

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

| (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) Unpaid Losses | 4,131 |
| (3) Unearned Premiums | 158,352 |
| (4) Reinsurance Premium Payable | 605 |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| (11) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ► | 163,088 |

2. FIN 48 (ASC 740) Footnote. In Part XIII, 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). Check here if the text of the footnote has been provided in Part XIII. . . .

Part XI 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 XIII.) | 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 XIII.) | 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 XII 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 XIII.) | 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 XIII.) | 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 XIII 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, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

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Part XIII 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

2012

Open To Public
Inspection

Name of the organization

Employer identification number

Rice County Mutual Insurance Company

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) Relationship between disqualified person and organization | (c) Description of transaction | | (d) Corrected? | |
|-----|---------------------------------|---|--------------------------------|----|----------------|--|
| | | | Yes | No | | |
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| (5) | | | | | | |
| (6) | | | | | | |

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

| (a) Name of interested person | (b) Relationship with organization | (c) Purpose of loan | (d) Loan to or from the organization? | (e) Original principal amount | (f) Balance due | (g) In default? | | (h) Approved by board or committee? | | (i) Written agreement? | |
|-------------------------------|------------------------------------|---------------------|---------------------------------------|-------------------------------|-----------------|-----------------|----|-------------------------------------|----|------------------------|----|
| | | | | | | Yes | No | Yes | No | Yes | No |
| (1) | | | To | | | | | | | | |
| (2) | | | From | | | | | | | | |
| (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 of assistance | (d) Type of assistance | (e) Purpose 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 | 7,200 | Co. Rents office from Heine | | ✓ |
| (2) Robert Heine | Director/Agent | 11,400 | 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

2012

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 |
|---|---|

Part XI:**Line 9: Other Changes in Net Assets or Fund Balances-Change in Non-Admitted Assets**

The following assets (net of accumulated depreciation) are excluded from Part X as required by

statutory accounting rules and Minnesota Statute 67A due to non-admitted classification

| | |
|--|--------------|
| Furniture, fixtures, computer equipment and automobiles | 452 |
| Prepaid operating expenses | 0 |
| Fire safety equipment | 0 |
| Uncollected premiums greater than 90 days past due | 0 |
| Other - General Agency | 0 |
| Total Non-Admitted Assets at the End of the Year | 452 |
| Total Non-Admitted Assets at the Beginning of the Year | 0 |
| Change in Non-Admitted Assets and Net Unrealized Losses | (452) |

Part XII:**Line 1: As a regulated entity, the organization is required to report using statutory accounting rules as codified**

in Minnesota Statute 67A and as promulgated by the Department of Commerce of the State of Minnesota.

The most significant item of this statutory basis of accounting is the exclusion of "non-admitted assets"

(as described above) from the reported assets.

Annual Statement
For the Year Ended December 31, 2012
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>2/20/2013</u> |
| Main Administrative Office | <u>23 Third Street Northwest, Fanbault MN 55021-5117</u> | | | | |
| Business Telephone | <u>(507) 334-8145</u> | | | | |
| Fax Telephone | <u>(507) 334-0544</u> | | | | |
| E-Mail Address | <u>ncecountymutual@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'Neill</u> | Executive | <u>Donald O'Neill</u> |

Directors

| Name | (Street, City, State, Zip) | From | To |
|-------------------|---|---------------|---------------|
| | | (Mo /Yr) | (Mo /Yr) |
| Howard Schoenfeld | <u>5811 NW 86th Street, Fanbault MN 55021</u> | <u>Feb-12</u> | <u>Feb-15</u> |
| Orville Wegner | <u>1381 250th Street West, Fanbault MN 55021-8415</u> | <u>Feb-11</u> | <u>Feb-14</u> |
| Allen Ross | <u>11840 Falls Trail, Lonsdale MN 55046-4471</u> | <u>Feb-11</u> | <u>Feb-14</u> |
| Jeff La Canne | <u>19146 Robards Lake Boulevard, Fanbault MN 55021-8512</u> | <u>Feb-10</u> | <u>Feb-13</u> |
| Robert Heine | <u>20305 Cedar Lake Path, Mornstown MN 55052-5070</u> | <u>Feb-12</u> | <u>Feb-15</u> |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

State of Minnesota

County of Rice

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

Subscribed and sworn to before me this
day of _____

President

NOTARY PUBLIC

SEAL

Secretary

Treasurer

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

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

| | | | |
|------|---------|-----------------------|-------------------------|
| Name | Address | City, State, Zip Code | (Area Code) Telephone # |
|------|---------|-----------------------|-------------------------|

Firm Name and Address Jim Barta CPA 401 Sherman Street, PO Box 1879 North Mankato MN 56002-1879

2/14/2013

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 | 16,848 | 76,441 |
| 3 | Cash deposited at interest Exh 9, Ln 3, Col 4 | 1,043,076 | 917,197 |
| 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 | 2,057,984 | 1,893,274 |
| 6 | Investment company shares Exh 9, Ln 6, Col 4 | 24,189 | 45,663 |
| 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 | 7,674 | 3,687 |
| 11 | Investment income due or accrued Exh 9, Ln 11, Col 4 | 26,620 | 21,816 |
| 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 |
| 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 | - | - |
| 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 | 80 | 498 |
| 19 | Reinsurance premium overpayment Exh 9, Ln 19, Col 4 | - | - |
| 20 | | | |
| 21 | | | |
| 22 | Rounding | | (3) |
| 23 | Total Admitted Assets (Must agree with Pg 3, Ln 18) | 3,247,971 | 3,033,086 |

Liabilities and Policyholders' Surplus

| | | 1 <u>Current Year</u> | 2 <u>Prior Year</u> |
|----|--|--------------------------|------------------------|
| 1 | <u>Net losses unpaid - Exh. 5</u> | 4,131 | 5,000 |
| 2 | <u>Net expenses unpaid - Exh. 8</u> | 1,608 | 931 |
| 3 | <u>Unearned premiums - Exh. 3</u> | 158,352 | 154,269 |
| 4 | <u>Borrowed money unpaid</u> | - | - |
| 5 | <u>Funds payable on reinsurance (other than losses)</u> | 605 | 1,403 |
| 6 | <u>Federal income taxes payable</u> | - | - |
| 7 | <u>Amounts withheld for the account of others</u> | 589 | 589 |
| 8 | <u>Accounts payable-agency</u> | - | - |
| 9 | <u>Rounding</u> | 1 | (1) |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | <u>Total Liabilities</u> | 165,286 | 162,191 |
| 17 | <u>Total Policyholders' Surplus</u> | 3,082,685 | 2,870,895 |
| 18 | <u>Total liabilities and policyholders' surplus</u> | 3,247,971 | 3,033,086 |

Statement of Income

| | <u>Underwriting Income</u> | 1 <u>Current Year</u> | 2 <u>Prior Year</u> |
|----|---|--------------------------|------------------------|
| 1 | Net premiums earned - Exh. 3, Col. 9 | 261,693 | 276,834 |
| 2 | Net assessments earned - Exh. 4, Col. 9 | - | - |
| 3 | Total premiums and assessments (Ln. 1 + Ln. 2) | 261,693 | 276,834 |
| | Deductions | | |
| 4 | Net losses incurred - Exh. 5, Col. 9 | 46,978 | 136,716 |
| 5 | Operating expenses incurred - Exh. 8, Ln. 25, Col. 4 | 121,089 | 113,404 |
| 6 | Total losses and expenses (Ln. 4 + Ln. 5) | 168,067 | 250,120 |
| | Net Underwriting Gain (loss) (Ln. 3 minus Ln. 6) | (A) 93,626 | 26,714 |
| | Investment Income | | |
| 7 | Net investment income earned - Exh. 1, Ln. 10, Col. 5 | 124,605 | 125,722 |
| 8 | Net realized capital gains or (losses) - Exh. 2, Ln. 8, Col. 3 | (5,989) | 8,539 |
| 9 | Net Investment Gain or (loss) (Ln. 7 + Ln. 8) | (B) 118,616 | 134,261 |
| | Other Income | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | Rounding | - | (1) |
| 14 | Total Other Income or (loss) | (C) - | (1) |
| 15 | Net income (loss) before income taxes (A + B + C) | 212,242 | 160,974 |
| 16 | Federal income taxes incurred* | - | - |
| 17 | Net Income (to Ln. 19) | 212,242 | 160,974 |
| | *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 | 2,870,895 | 2,709,921 |
| Gains and (Losses) in Surplus | | | |
| 19 | Net income (from Ln. 17) | 212,242 | 160,974 |
| 20 | Change in non-admitted assets Exh. 10, Ln. 18, Col. 3 | (452) | - |
| 21 | Net unrealized capital gains or losses Exh. 2, Ln. 8, Col. 4 | - | - |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | Change in policyholders' surplus for the year | 211,790 | 160,974 |
| 26 | Policyholders' surplus, December 31, current year | 3,082,685 | 2,870,895 |

Exhibit 2
Capital Gains and Losses on Investments

| | 1 Profit on Sales or Maturity | 2 Losses on Sales or Maturity | 3 Net Gain or Loss[-] (Col 1 minus Col 2) | 4 Net Gain or Loss [-] From Change in or Difference Between Book Value or Admitted Assets |
|------------------------------------|---|---|--|--|
| 1 Bonds | 77,664 | 85,411 | (7,747) | - |
| 2 Guarantee fund certificates | | | - | |
| 3 Mortgage loans | | - | - | |
| 4 Real estate | - | - | - | |
| 5 Investment company shares | 1,758 | - | 1,758 | - |
| 6 Common stock | - | - | - | |
| 7 Other gains and losses - explain | | | - | |
| 8 Totals | 79,422 | 85,411 | (5,989) | - |

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 |
| Line of Business | Direct Written Premiums | Reinsurance Assumed | Paid Dividends | Reinsurance Ceded | Net Written Premiums | Unearned Premiums |
| Fire & other lines | 329,662 | | | 63,886 | 265,776 | 154,269 |
| | | | | | - | |
| | | | | | - | |
| Assumed reins | - | | | - | - | |
| Total all lines | 329,662 | | - | 63,886 | 265,776 | 154,269 |

Pg 3, Ln 3,
Col 2
Pg 3, Ln 1,
Col 1

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
(Use only for post paid assessments or premiums)

| Assessment Income and Receivable | | | | | | |
|----------------------------------|-----------------------------|------|--------------------------------------|-----------------------------------|----------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 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 | Dec 31, Prior Year |
| | | | | - | | |
| | | | | - | | |
| Total all lines | | | | - | - | - |

Pg 3, Ln 3,
Col 2
Pg 4, Ln 1,
Col 1

Exhibit 5
(Use only for post paid assessments or premiums)

| Paid and Incurred Losses | | | | | | |
|---------------------------------|-------------|------------------------------|---|--|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Line of Business (type of loss) | Losses Paid | Less Salvage and Subrogation | Reinsurance Recovered on Losses Assumed | Reinsurance Recoverable on Losses Paid | Net Losses Paid (Col 2 + 3 minus (4-5)) | Net Losses Unpaid Dec 31, Current Year |
| Fire & Fire Dept | 16,758 | | 3,700 | - | 13,058 | 950 |
| Lightning | 5,919 | | | | 5,919 | - |
| Additional Lines | 28,870 | | | | 28,870 | 3,181 |
| Total all lines | 51,547 | - | 3,700 | - | 47,847 | 4,131 |

Pg 3, Ln 1,
Col 1
Pg 3, Ln 2,
Col 1
Pg 4, Ln 4,
Col 1

Exhibit 8
Expenses

| | 1 | 2 | 3 | 4 |
|---|------------------|----------------------------|--------------------------|------------------------------------|
| Operating Expenses | Paid During Year | Unpaid Dec 31 Current Year | Unpaid Dec 31 Prior Year | Incurred Current Year Col 1+2-3 |
| 1 Advertising | 2,201 | - | - | 2,201 |
| 2 Boards, bureaus and associations | 3,932 | - | - | 3,932 |
| 3 Commissions | 50,277 | 1,151 | 553 | 50,875 |
| 3a Less commissions on reinsurance | (2,181) | - | - | (2,181) |
| 3b Less commissions on general agency | - | - | - | - |
| 4 Contributions | - | - | - | - |
| 5 Conventions, meetings and education | 1,833 | - | - | 1,833 |
| 6 Directors fees | 4,335 | - | - | 4,335 |
| 7 Employee benefits | 1,855 | - | - | 1,855 |
| 8 Inspection and loss prevention | 161 | - | - | 161 |
| 9 Insurance and bonding | 4,285 | - | - | 4,285 |
| 10 Interest expense on borrowed money | - | - | - | - |
| 11 Legal and auditing | 6,470 | - | - | 6,470 |
| 12 Loss adjustment expense | - | - | - | - |
| 13 Office equipment and maintenance | - | - | - | - |
| 14 Payroll taxes | 1,366 | 364 | 378 | 1,352 |
| 15 Postage, telephone and exchange | 3,303 | - | - | 3,303 |
| 16 Printing and stationery | 1,517 | - | - | 1,517 |
| 17 Rent and lease expense | 7,200 | - | - | 7,200 |
| 18 Salaries | 15,600 | - | - | 15,600 |
| 19 State taxes and fees | 4,284 | 93 | - | 4,377 |
| 20 Travel and travel items | 974 | - | - | 974 |
| 21 Utilities | 1,549 | - | - | 1,549 |
| 22 Depreciation on furniture and fixtures | 51 | - | - | 51 |
| 23 Leased office staff | 11,400 | - | - | 11,400 |
| 24 | - | - | - | - |
| 25 Total - Operating Expenses | 120,412 | 1,608 | 931 | 121,089 |
| | | | | * |
| | | | | |
| 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 | 600 | - | - | 600 |
| 31 Total Investment Expenses | 600 | 1,608 | 931 | 600 |
| 32 Total Expenses | 121,012 | 1,608 | 931 | 121,689 |

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 | 16,848 | | | 16,848 |
| 3 Cash deposited at interest - Schedule B, Total, Col 8 | 1,043,076 | | | 1,043,076 |
| 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 | 2,057,984 | | | 2,057,984 |
| 6 Investment company shares - Schedule E-Part 1, Total, Col 5 | 24,189 | | | 24,189 |
| 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 on uncollected premiums | 7,674 | | | 7,674 |
| 11 Investment income due and accrued - Exh. 1, Total, Col. 3 | | 26,620 | | 26,620 |
| 12 **Unpaid assessments receivable - Exh. 4, Total, Col. 7 | | - | | - |
| 13 Reinsurance recoverable on losses paid - Exh. 5, Total, Col. 5 | | - | | - |
| 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 | | - | | - |
| 18 Furniture, fixtures and automobiles | 452 | | 452 | |
| 19 Accounts receivable | 80 | | 80 | |
| 20 Reinsurance premium overpayment | - | | | - |
| 21 Fire extinguishers | | | - | |
| 22 Fire alarms | | | - | |
| 23 Prepaid expenses | | | - | |
| 24 Totals | 3,221,803 | 26,620 | 452 | 3,247,971 |

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 | - | 452 | (452) |
| 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) | - | 452 | (452) |
| | <i>Exh 10, Col 2, Prior Year</i> | <i>Exh 9, Col 3</i> | |
| 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) | | | (452) |

*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 | 265,776 |
| 2 | Assessment income received-Exh. 4, Col. 6 | - |
| 3 | From sale or maturity of ledger assets-Exh 2, Ln 8, Col 1 | 79,422 |
| 4 | Investment income received-Exh 1, Ln 8, Col. 1 and 2 | 120,401 |
| 5 | Amounts withheld for the account of others | - |
| 6 | Borrowed money repaid [gross] | - |
| 7 | Funds payable on reinsurance | - |
| 8 | Federal taxes paid | - |
| 9 | Rounding | 2 |
| 10 | | |
| 11 | Total (Items 1-10) | 465,601 |

Decrease In Ledger Assets

| | | |
|----|---|----------------|
| 12 | Net losses paid-Exh 5, Col 6 | 47,847 |
| 13 | Expense paid-Exh. 8, Ln 32, Col. 1 | 121,012 |
| 14 | From sale or maturity of ledger assets-Exh 2, Ln 8, Col 2 | 85,411 |
| 15 | Amounts withheld for account of others | - |
| 16 | Borrowed money [gross] | - |
| 17 | Funds payable on reinsurance | 798 |
| 18 | Federal taxes paid | - |
| 19 | Rounding | - |
| 20 | | |
| 21 | Total (Items 12-20) | 255,068 |

Reconciliation Between Years

| | | |
|----|---|-----------|
| 22 | Total ledger assets at December 31 of prior year (Exh 9, Ln 22, Col 1, Prior Year) | 3,011,270 |
| 23 | Increase or decrease in ledger assets during the year (Ln 11 minus Ln 21) | 210,533 |
| 24 | Total ledger assets at December 31 of current year (Exh 9, Ln 24, Col 1) | 3,221,803 |

Schedule A
Cash Deposited in Checking Accounts

| 1 | 2 | 3 | 4 | 5 | 6 |
|--|--|---------------------------|-----------------------|--------------------------|-----------------------------------|
| Name of Financial Institution (followed by address) | Actual Balance on Bank Statement December 31 | Deduct Checks Outstanding | Other Adjustment* Add | Other Adjustment* Deduct | Net Balance Per Books December 31 |
| 1 Wells Fargo Bank PO Box 69, Faribault MN 55021-0069 | 19,066 | 2,218 | | | 16,848 |
| 2 | | | | | - |
| 3 | | | | | - |
| 4 | | | | | - |
| 5 | | | | | - |
| 6 | | | | | - |
| Total | | | | | 16,848 |

Exh 9, Ln 2,
Col 1

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

1. Does the Company have excess private deposit insurance for balances exceeding FDIC limits? (Y/N)
 2. Does the Company have an overnight repurchase agreement with the depository that handles the company's primary accounts per Minnesota Statute 67A.231(l)? (Y/N) N

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

Schedule C**Guarantee Fund Certificates**

| 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=Semi-Annual, A=Annual
 Exh 9, Ln 4, Exh 1, Ln 2, Exh 1, Ln 2,
 Col 1 Col 1 Col 1 Col 3

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|--|----------------|------------|------------------------------------|---------------------|---------------------|----------------------------|-----------|--------------|-------------|--|---|---|---|----|----|
| Description (complete and accurate) | *Cusip # ID | ** Type | *** Interest Rate Payable | Date of Purchase | Date of Maturity | Book Amortized Value | Par Value | Market Value | Actual Cost | **** Interest Amount Received | Interest Accrued Dec 31 Current Year | Increase by Adjustment in Book Value During Year | Decrease by Adjustment in Book Value During Year | | |
| 1 Suntrust Bk 5 2% 1/17/17 | 86787GAD4 | C | 5.200 | \$ 08/26/09 | 01/17/17 | 3,102 | 4,000 | 4,386 | 3,102 | 208 | 95 | 37 | - | | |
| 2 Merrill Lynch & Co 6 5% 7/15/18 | 59018BJF6 | C | 6.500 | \$ 07/27/09 | 07/15/18 | 9,853 | 10,000 | 11,658 | 9,853 | 650 | 300 | 20 | - | | |
| 3 SLM Corporation Step Up | 78490FKZ1 | C | 4.500 | \$ 01/31/05 | 06/15/24 | 55,000 | 55,000 | 53,160 | 55,000 | 3,410 | 152 | - | - | | |
| 4 JP Morgan Chase & Co 6% 5/11/29 | 46622BAM3 | C | 6.000 | Q | 06/17/09 | 05/01/29 | 13,159 | 14,000 | 13,864 | 13,159 | 840 | 140 | 27 | | |
| 5 Morgan Stanley DW DRS SR Notes | 61745EN56 | C | 5.000 | \$ 10/19/10 | 10/15/30 | 50,015 | 50,000 | 53,291 | 50,015 | 2,500 | 528 | 54 | - | | |
| 6 Lincoln National Corp | 534187AR0 | C | 6.150 | \$ 10/17/11 | 04/07/36 | 49,144 | 50,000 | 58,429 | 49,144 | 3,075 | 718 | 2 | - | | |
| 7 GE Cap Corp 5.45% 4/15/2036 | 369661BY7 | C | 5.450 | \$ 06/11/12 | 04/15/36 | 51,626 | 48,000 | 53,102 | 51,626 | 901 | 552 | - | 46 | | |
| 8 Goldman Sach Group 6 45% 5/1/36 | 38143YAC7 | C | 6.450 | \$ 04/27/10 | 05/01/36 | 42,915 | 45,000 | 49,358 | 42,915 | 2,903 | 484 | 5 | - | | |
| 9 Western Un Co 6 2% 11/17/36 | 959802AH2 | C | 6.200 | \$ 02/09/12 | 11/17/36 | 86,648 | 80,000 | 80,951 | 86,648 | 3,761 | 606 | - | 118 | | |
| 10 JP Morgan Chase & Co 5.8% 3/15/37 | 46622BDK4 | C | 5.800 | \$ 03/05/10 | 03/15/37 | 9,756 | 10,000 | 9,803 | 9,756 | 580 | 171 | 4 | - | | |
| 11 GE Cap Corp 6 15% 8/7/37 | 36962633AO | C | 6.150 | \$ 03/05/10 | 08/07/37 | 19,714 | 20,000 | 24,864 | 19,714 | 1,230 | 492 | 4 | - | | |
| 12 JP Morgan Chase & Co 6 25% 11/15/3 | 46622BFB2 | C | 6.250 | M | 01/27/09 | 11/15/37 | 9,712 | 10,000 | 9,999 | 9,712 | 625 | 28 | - | | |
| 13 Berkshire Hathaway | 084686BL4 | C | 5.750 | S | 10/18/11 | 01/15/40 | 44,433 | 39,000 | 47,743 | 44,433 | 2,243 | 1,034 | 10 | | |
| 14 FFCB 3.81% 12/23/41 | 31331K4L1 | G | 3.810 | S | 01/23/12 | 12/23/41 | 38,674 | 39,000 | 41,190 | 38,674 | 1,358 | 33 | 6 | | |
| 15 Xenia Rural Wtr A 4 5% 12/1/21 | 98410ACB9 | GM | 4.500 | S | 08/27/12 | 12/01/21 | 52,079 | 50,000 | 51,314 | 52,079 | 569 | 188 | 67 | | |
| 16 Illinois St GO 2010-3 5 947% 4/1/22 | 452152GE5 | GM | 5.947 | S | 06/22/12 | 04/01/22 | 22,650 | 20,000 | 24,653 | 22,660 | 327 | 297 | 123 | | |
| 17 York PA GO 0% 2/1/2023 | 9886812MJ1 | GM | 3.707 | CS | 05/23/12 | 02/01/23 | 56,779 | 85,000 | 57,550 | 56,779 | - | - | 622 | | |
| 18 Cuyahoga Cnty OH Econ 5 184% 6/1/12 | 232263DZ3 | GM | 5.184 | S | 11/30/12 | 06/01/24 | 28,134 | 25,000 | 27,254 | 28,134 | (14) | 108 | 19 | | |
| 19 NJ St Higher Ed 4 125% 12/1/24 | 646808NZ0 | GM | 4.125 | S | 07/30/12 | 12/01/24 | 52,542 | 50,000 | 51,040 | 52,542 | 682 | 172 | 73 | | |
| 20 Portland OR 4 323% 6/15/2025 | 736746XW3 | GM | 4.323 | S | 05/22/12 | 06/15/25 | 41,122 | 40,000 | 41,635 | 41,122 | 975 | 77 | 68 | | |

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 | ** Interest Rate | Type | *** Interest Payable | Date of Purchase | Date of Maturity | Book Amortized Value | Par Value | Market Value | Actual Cost | **** Interest Amount Received | Interest Accrued Dec 31 Current Year | Increase by Adjustment in Book Value During Year | Decrease by Adjustment in Book Value During Year |
| 21 VA St Hsg Dev 6% 7/1/25 | 92812UYY8 | GM | 6,000 | S | 11/08/12 | 07/01/25 | 51,071 | 45,000 | 49,865 | 51,071 | (1,088) | 1,350 | - | 41 |
| 22 Maryland St Cnty Dev 4.85% 7/1/26 | 57419PH28 | GM | 4,850 | S | 11/08/12 | 07/01/26 | 11,389 | 10,000 | 11,202 | 11,389 | (179) | 243 | - | 12 |
| 23 Green OH Loc Sch 5.11% 12/1/26 | 393208CD3 | GM | 5,110 | S | 12/07/12 | 12/01/26 | 34,052 | 30,000 | 32,313 | 34,052 | (47) | 128 | - | 15 |
| 24 Washoe Cnty NV Sch 6% 5/1/27 | 940658Q30 | GM | 6,000 | S | 10/15/12 | 05/01/27 | 46,393 | 40,000 | 45,232 | 46,393 | 87 | 400 | - | 68 |
| 25 Kentucky St Mun Pwr 6.24% 9/1/28 | 4911501C23 | GM | 6,240 | S | 06/29/12 | 09/01/28 | 28,225 | 25,000 | 28,530 | 28,225 | 269 | 520 | - | 179 |
| 26 State Pub Sch PA 6.495% 9/15/28 | 85752PCB4 | GM | 6,495 | S | 11/14/12 | 09/15/28 | 57,503 | 45,000 | 57,561 | 57,503 | (498) | 861 | - | 76 |
| 27 NC Hsg Fin Agy 4.319% 1/1/29 | 658207PA7 | GM | 4,319 | S | 07/18/12 | 01/01/29 | 104,294 | 100,000 | 102,670 | 104,294 | (48) | 1,944 | - | 88 |
| 28 Virginia College Bldg VA 5.625% 2/1/29 | 927781TR5 | GM | 5,625 | S | 06/08/12 | 02/01/29 | 22,276 | 20,000 | 23,966 | 22,276 | 166 | 469 | - | 157 |
| 29 De Kalb Cnty IL ISD #428 ZERO 1/1/30 | 2406885HY6 | GM | 4,766 | CS | 10/15/12 | 01/01/30 | 46,616 | 100,000 | 43,078 | 46,616 | - | 2,145 | - | - |
| 30 Indianapolis IN Loc Pub 5.986% 1/15/31 | 45528SSR3 | GM | 5,966 | S | 11/02/12 | 01/15/30 | 67,600 | 55,000 | 68,185 | 67,600 | (1,141) | 1,513 | - | 76 |
| 31 Mass St College 5.832% 5/1/30 | 5755321W0 | GM | 5,832 | S | 07/23/12 | 05/01/30 | 49,334 | 40,000 | 49,053 | 49,334 | 616 | 389 | - | 165 |
| 32 St Peters MO Chs 6.25% 5/1/30 | 793187CD5 | GM | 6,250 | S | 12/17/12 | 05/01/30 | 43,717 | 40,000 | 44,331 | 43,717 | (340) | 417 | 5 | 5 |
| 33 Connecticut St Health 4.5% 7/1/30 | 207774YKE6 | GM | 4,500 | S | 06/14/12 | 07/01/30 | 61,170 | 60,000 | 60,060 | 61,170 | - | 1,478 | - | 62 |
| 34 Mobile Cnty AL GO 3.25% 8/1/32 | 607267295 | GM | 3,250 | S | 10/16/12 | 08/01/32 | 49,952 | 50,000 | 49,427 | 49,952 | (41) | 366 | - | 1 |
| 35 St Louis Cnty MO 5.55% 12/1/2032 | 791526CA2 | GM | 5,550 | S | 06/12/12 | 12/01/32 | 21,957 | 20,000 | 22,251 | 21,957 | 521 | 93 | - | 115 |
| 36 Oh St Wtr Dev 4.879% 12/1/34 | 67766WQG0 | GM | 4,879 | S | 09/28/12 | 12/01/34 | 23,349 | 20,000 | 22,522 | 23,349 | 157 | 81 | - | 26 |
| 37 Cuyahoga City OH Libr 6.25% 12/1/35 | 232285AG9 | GM | 6,250 | S | 12/10/12 | 12/01/35 | 58,593 | 50,000 | 59,186 | 58,593 | (104) | 260 | - | 12 |
| 38 Indianapolis IN Loc Pub 5% 1/1/36 | 45528UCX7 | GM | 5,000 | S | 07/26/12 | 01/01/36 | 53,681 | 50,000 | 54,329 | 53,681 | (208) | 1,250 | - | 40 |
| 39 Franklin Cnty OH Conv 6.54% 12/1/36 | 353174FW0 | GM | 6,540 | S | 06/27/12 | 12/01/36 | 41,860 | 35,000 | 41,924 | 41,860 | 979 | 191 | - | 75 |
| 40 Montgomery Cnty PA 4.639% 6/1/37 | 613645AM2 | GM | 4,639 | S | 08/14/12 | 06/01/37 | 26,016 | 25,000 | 25,294 | 26,016 | 335 | 97 | - | - |

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|--|----------------|------------|-------------------------|---------------------|---------------------|---------------------|----------------------------|-----------|--------------|-------------|---------------------------------------|---|---|---|
| Description (complete and accurate) | *Cusip # ID | ** Type | *** Interest Rate | Interest Payable | Date of Purchase | Date of Maturity | Book Amortized Value | Par Value | Market Value | Actual Cost | *** Interest Amount Received | Interest Accrued Dec 31 Current Year | Increase by Adjustment in Book Value During Year | Decrease by Adjustment in Book Value During Year |
| 41 FA Hsg Fin Agy 5 15% 4/1/38 | 708796JUJ7 | GM | 5.150 | S | 11/16/12 | 04/01/38 | 27,198 | 25,000 | 27,435 | 27,198 | (179) | 322 | - | 6 |
| 42 MO St Hsg Dev 4 25% 7/1/38 | 60836THN4 | GM | 4.250 | S | 11/26/12 | 07/01/38 | 30,753 | 30,000 | 30,180 | 30,753 | (78) | 191 | - | 2 |
| 43 IA St Bird Regents 4% 9/1/38 | 46256GCG4 | GM | 4.000 | S | 09/13/12 | 09/01/38 | 31,025 | 30,000 | 30,529 | 31,025 | (30) | 300 | - | 7 |
| 44 Mpls MN Hlth Care 6 5% 11/15/38 | 60374VCV3 | GM | 6.500 | S | 08/28/12 | 11/15/38 | 29,844 | 25,000 | 30,331 | 29,844 | 334 | 208 | - | 31 |
| 45 SD St Hlth & Edt Facs 6 25% 8/1/39 | 83755VPPV0 | GM | 6.250 | S | 06/28/12 | 08/01/39 | 57,738 | 50,000 | 55,546 | 57,738 | 243 | 1,302 | - | 69 |
| 46 VA St Res Auth 6% 11/1/39 | 928117QVU3 | GM | 6.000 | S | 12/03/12 | 11/01/39 | 30,346 | 25,000 | 30,781 | 30,346 | (146) | 250 | - | 8 |
| 47 Utah Cnty Excise 7 13% 12/1/2039 | 917343BBF1 | GM | 7.130 | S | 06/29/12 | 12/01/39 | 29,285 | 25,000 | 27,975 | 29,285 | 753 | 149 | - | 268 |
| 48 Metro Nashville 6 73.1% 7/1/43 | 592125SAM0 | GM | 6.731 | S | 06/29/12 | 07/01/43 | 36,282 | 30,000 | 36,244 | 36,262 | (22) | 1,010 | - | 41 |
| 49 FNMA Group 2459 | 31360CWU2 | M | 8.500 | M | 05/18/87 | 06/01/15 | 1 | 1 | 1 | 1 | - | - | - | - |
| 50 FNR 2003-113 KA 4 5% | 31393172P0 | M | 4.500 | M | 06/08/09 | 11/25/18 | 1,743 | 1,617 | 1,625 | 1,743 | 235 | 1 | - | 125 |
| 51 FHLMC REMIC 1096E | 3129053J9 | M | 7.000 | M | 06/09/93 | 06/15/21 | 294 | 294 | 325 | 294 | 24 | 1 | - | - |
| 52 FHLMC 90 1811E | 312904AU9 | M | 6.784 | M | 10/29/93 | 08/15/21 | 63 | 63 | 68 | 63 | 5 | - | - | - |
| 53 FHRL 1122G | 312906VS6 | M | 7.000 | M | 06/30/93 | 08/15/21 | 125 | 124 | 145 | 125 | 10 | 1 | - | - |
| 54 First Horizon 03-8 1A7 | 320510F23 | M | 5.000 | M | 07/16/03 | 10/25/33 | 16,380 | 16,379 | 16,659 | 16,380 | 1,241 | 14 | - | - |
| 55 Banc of America 2004-1 1A6 5 5% | 0594BXV57 | M | 5.500 | M | 12/28/07 | 02/25/34 | 701 | 701 | 704 | 701 | 155 | 1 | 1,263 | - |
| 56 GNR 2004-26D | 38874F73H5 | M | 5.250 | M | 08/26/04 | 04/16/34 | 7,971 | 7,971 | 8,026 | 7,971 | 1,172 | 17 | 425 | - |
| 57 FNR 2004-021 JH | 31393XQZ3 | M | 5.500 | M | 12/29/05 | 04/25/34 | 1,035 | 1,035 | 1,035 | 1,035 | 292 | 1 | 80 | - |
| 58 FNR 2004-060 | 999222HA3 | M | 5.250 | M | 07/30/04 | 04/25/34 | 13,828 | 13,828 | 14,036 | 13,829 | 986 | 13 | - | - |
| 59 GNMA 2004-87 BC 4 5% | 38374JMC7 | M | 4.500 | M | 01/27/09 | 10/20/34 | 20,000 | 20,000 | 23,230 | 20,000 | 900 | 28 | - | - |
| 60 GNMA 2005-013 BG | 38374KUK7 | M | 5.000 | M | 05/27/05 | 02/20/35 | 35,000 | 35,000 | 41,748 | 35,000 | 1,750 | 53 | 58 | - |

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 WAMU 2005-3 1A5 | 9393365C3 | M | 5.500 | M | 04/19/05 | 05/25/35 | 20,000 | 20,000 | 17,389 | 20,000 | 1,100 | 18 | - | - | |
| 62 GNMA 2005-051 DC | 38374LXL0 | M | 5.000 | M | 07/19/05 | 07/20/35 | 17,000 | 17,000 | 18,905 | 17,000 | 850 | 26 | - | - | |
| 63 Banc of America 2005-8 4A10.5 75% | 05946XZF9 | M | 5.750 | M | 11/01/07 | 01/25/36 | 10 | 10 | 11 | 10 | 28 | - | 420 | - | |
| 64 BOAMS 2006-2 2A22 | 05949Q8D6 | M | 6.000 | M | 03/20/06 | 03/25/36 | 15,000 | 15,000 | 15,009 | 15,000 | 900 | 15 | - | - | |
| 65 GNMA 223455 | 38218JE48 | M | 9.500 | M | 12/14/87 | 11/15/17 | 266 | 266 | 266 | 266 | 28 | 2 | - | - | |
| 66 | | | | | | | | | | | | - | - | - | |
| 67 | | | | | | | | | | | | - | - | - | |
| 68 | | | | | | | | | | | | - | - | - | |
| 69 | | | | | | | | | | | | - | - | - | |
| 70 | | | | | | | | | | | | - | - | - | |
| 71 | | | | | | | | | | | | - | - | - | |
| 72 | | | | | | | | | | | | - | - | - | |
| 73 | | | | | | | | | | | | - | - | - | |
| 74 | | | | | | | | | | | | - | - | - | |
| 75 | | | | | | | | | | | | - | - | - | |
| 76 | | | | | | | | | | | | - | - | - | |
| 77 | | | | | | | | | | | | - | - | - | |
| 78 | | | | | | | | | | | | - | - | - | |
| 79 | | | | | | | | | | | | - | - | - | |
| 80 | | | | | | | | | | | | - | - | - | |
| Totals | | | | | | | | | | | | 2,057,984 | 1,993,289 | 2,054,432 | 2,057,984 |
| | | | | | | | | | | | | 36,810 | 22,148 | 4,570 | 2,916 |

* CUSIP # obtained from broker

**Type C=Corporate, CD=Broker CD (e.g. Tradeable CD's), G=Municipal, City, State or Federal Bond M=Mortgage Backed Bond

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

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

Exh 1,
Ln 3,
Col 1

Exh 1,
Ln 3,
Col 3

Exh 1,
Ln 3,
Col 2

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

| 1 Description (complete and accurate) | 2 Cusip # ID | 3 Name of Purchaser | 4 Disposal Date | 5 Consideration Received | 6 Book Value at Disposal Date | 7 Par Value | 8 Increase by Adjustment in Book Value During Year | 9 Decrease by Adjustment in Book Value During Year | 10 Profit on Disposal | 11 Loss on Disposal | 12 Interest Received During Year |
|---|---------------------|-------------------------------|------------------------|------------------------------------|---|--------------------|--|---|---------------------------------|-------------------------------|---|
| 1 AT&T Inc Global Notes | 04650NAB0 | Felti & Co | 01/23/12 | 80,036 | 73,695 | 75,000 | - | - | 6,341 | - | 1,616 |
| 2 GMNA 2005-55 AC 5% | 38374LZY0 | Felti & Co | 02/21/12 | 1,571 | 1,571 | - | - | - | - | - | 8 |
| 3 Bank of America 2003-6 1A14 | 05948XQN4 | Felti & Co | 03/02/12 | 2,000 | 1,272 | - | - | - | 728 | - | 14 |
| 4 FNMA 2006-113 CC | 312996LY79 | Felti & Co | 02/27/12 | 2,000 | 2,000 | - | - | - | - | - | 14 |
| 5 FHHSI 2003-7 1A9 | 32051DA36 | Felti & Co | 03/26/12 | 3,720 | 3,499 | 3,499 | - | - | 221 | - | 33 |
| 6 Sara Lee Corp | 803111AM5 | Felti & Co | 04/03/12 | 25,374 | 24,828 | 25,000 | - | - | 546 | - | 1,397 |
| 7 Kinder Morgan Energy 5.8% 3/15/35 | 494550AT3 | Felti & Co | 04/17/12 | 72,800 | 67,367 | 70,000 | - | - | 5,433 | - | 2,425 |
| 8 Countywide 2004-4A9 | 12689FRL9 | Felti & Co | 04/25/12 | 18,625 | 20,000 | 20,000 | - | - | - | - | 1,375 |
| 9 CWALT 2004-2B RA3 | 12669GF44 | Felti & Co | 05/02/12 | 33,775 | 35,000 | 35,000 | - | - | - | - | 457 |
| 10 El Paso Elec Co 6% 5/15/35 | 283677AW2 | Felti & Co | 05/08/12 | 32,625 | 30,000 | 30,000 | 25 | - | 2,625 | - | 865 |
| 11 SBC Comm Inc 6.15% 9/15/34 | 78387GAQ6 | Felti & Co | 05/15/12 | 42,749 | 37,000 | 37,000 | - | - | 5,749 | - | 1,517 |
| 12 Chgroupl Inc 6.125% 11/21/17 | 172967EM9 | Felti & Co | 05/17/12 | 22,300 | 20,000 | 20,000 | 16 | - | 2,300 | - | - |
| 13 CWSL 2005-53 T2 2A3 | 12668AKR5 | Felti & Co | 05/22/12 | 11,675 | 20,000 | 20,000 | - | - | - | - | 8,325 |
| 14 CWSL 2005-53 T2 2A4 | 12668AKS3 | Felti & Co | 05/22/12 | 5,413 | 10,000 | 10,000 | - | - | - | - | 4,587 |
| 15 CWSL 2005-64CB 1A3 | 12668AZN8 | Felti & Co | 05/22/12 | 16,577 | 26,000 | 26,000 | - | - | - | - | 9,423 |
| 16 CWSL 2006-24 CB A3 | 02146TAC1 | Felti & Co | 05/22/12 | 13,082 | 23,504 | 23,504 | - | - | 10,422 | - | 638 |
| 17 First Horizon 06-4 1A17 | 320621UAS2 | Felti & Co | 05/22/12 | 14,275 | 20,000 | 20,000 | - | - | - | - | 5,725 |
| 18 Banc of America 2006-5 CB3 6% | 05950BAC8 | Felti & Co | 05/22/12 | 13,544 | 24,321 | 24,321 | - | - | 10,777 | - | 660 |
| 19 Wellpoint Inc 5.95% 12/15/34 | 94973VAH0 | Felti & Co | 06/08/12 | 23,600 | 20,000 | 20,000 | 93 | - | 3,600 | - | 572 |
| 20 Valero Energy Corp 6.625% 6/15/37 | 91913YAL4 | Felti & Co | 06/08/12 | 50,428 | 46,000 | 46,000 | 1,332 | - | 4,428 | - | 1,464 |

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|--|------------|----------------------|---------------|---------------------------|--------------------------------|-----------|---|--|-----------------------|---------------------|-------------------------------------|
| Description (complete and accurate) | Cusip # ID | Name of Purchaser | Disposal Date | Consideration Received | Book Value at Disposal Date | Par Value | 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 |
| 21 Rabobank Nederland 3.875% 2/2/22 | 21685VDD6 | Feitl & Co | 06/08/12 | 19,800 | 19,824 | 20,000 | - | - | - | 24 | 73 |
| 22 Bank of America | 06050DXNU3 | Feitl & Co | 06/15/12 | 20,000 | 20,000 | - | - | - | - | - | 580 |
| 23 Lloyds Tsc Bank 5% 7/28/2026 | 5394EBAB5 | Feitl & Co | 06/20/12 | 38,686 | 38,822 | 40,000 | - | - | - | 136 | 228 |
| 24 Assurant Inc 6.75% 2/15/34 | 04621XADD | Feitl & Co | 06/28/12 | 32,700 | 30,000 | 30,000 | 463 | - | 2,700 | - | 1,761 |
| 25 Cincinnati Finl Corp 6.12% 11/1/34 | 172062AE1 | Feitl & Co | 07/18/13 | 76,088 | 69,503 | 71,000 | - | - | 6,585 | - | 2,887 |
| 26 AFLAC Inc Note Matk Whole | 001055AA9 | Feitl & Co | 07/18/13 | 57,588 | 54,109 | 100,000 | - | - | 3,459 | - | 3,082 |
| 27 Genworth Finl Inc 7.7% 6/15/20 | 37241TDAM8 | Feitl & Co | 07/18/12 | 49,851 | 49,773 | 50,000 | - | - | 78 | - | 952 |
| 28 Jeffries Grp Inc 6.45% 6/8/27 | 472319AE2 | Feitl & Co | 07/18/12 | 29,640 | 29,169 | 30,000 | - | - | 471 | - | 462 |
| 29 Genworth Global Fund 6.25% 6/15/33 | 37248JBK7 | Feitl & Co | 07/18/12 | 40,480 | 40,000 | 40,000 | - | - | 480 | - | 1,514 |
| 30 Citigroup Inc 6% 10/31/33 | 172967CC3 | Feitl & Co | 07/23/12 | 20,240 | 19,834 | 20,000 | - | - | 386 | - | 887 |
| 31 Citigroup Inc Gibl 5.815% 5/29/37 | 172967EC1 | Feitl & Co | 07/23/12 | 33,563 | 29,776 | 30,000 | - | - | 3,787 | - | 1,160 |
| 32 Merrill Lynch & Co 6.11% 1/29/37 | 59022CAJ2 | Feitl & Co | 07/24/12 | 27,014 | 26,635 | 27,000 | - | - | 379 | - | 1,641 |
| 33 AXA SA 8.6% 12/15/30 | 056536AA5 | Feitl & Co | 08/02/12 | 54,948 | 55,528 | 50,000 | - | - | - | 580 | 1,171 |
| 34 U of Chicago 4.683% 10/1/2042 | 91412NAH3 | Feitl & Co | 08/13/12 | 31,623 | 31,108 | 30,000 | - | - | 515 | - | 375 |
| 35 J.P. Morgan Chase & Co 4.5% 6/11/2033 | 48124ASM0 | Feitl & Co | 08/14/12 | 51,333 | 50,145 | 50,000 | - | - | 1,188 | - | 1,535 |
| 36 Bank America Corp | 06050DXRT2 | Feitl & Co | 08/15/12 | 25,000 | 25,000 | 25,000 | 165 | - | - | - | 1,438 |
| 37 Prudential Fin Inc 6% 2/15/52 | 74432ABZ2 | Feitl & Co | 08/15/12 | 10,000 | 10,000 | - | - | - | - | - | 600 |
| 38 Assured Guy US Holdings 7% 6/1/2034 | 04621WVA8 | Feitl & Co | 08/24/12 | 26,108 | 26,016 | 25,000 | - | - | 90 | - | 523 |
| 39 Goldman Sachs Grp Inc 6.75% 10/1/37 | 38141GFD1 | Feitl & Co | 08/28/12 | 20,575 | 19,985 | 20,000 | - | - | 590 | - | 466 |
| 40 Credit Suisse 2006-1 4A5 | 225470VU4 | Feitl & Co | 09/28/12 | 28,284 | 31,803 | 31,803 | - | - | - | 3,519 | 1,466 |

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

| 1 Description (complete and accurate) | 2 Cusip # ID | 3 Name of Purchaser | 4 Disposal Date | 5 Consideration Received | 6 Book Value at Disposal Date | 7 Par Value | 8 Increase by Adjustment in Book Value During Year | 9 Decrease by Adjustment in Book Value During Year | 10 Profit on Disposal | 11 Loss on Disposal | 12 Interest Received During Year |
|---|---------------------|-------------------------------|------------------------|------------------------------------|---|--------------------|--|---|---------------------------------|-------------------------------|---|
| 41 CWHI 2004-5 2A17 | 999222GK2 | Felti & Co | 10/15/12 | 21,846 | 22,065 | - | - | - | - | 219 | 880 |
| 42 CWALT 2004-16 CB 4A3 | 12667FMC6 | Felti & Co | 10/15/12 | 46,125 | 50,000 | - | - | - | - | 3,875 | 2,645 |
| 43 CS 1st Boston 2005-3 3A2 | 225458JX7 | Felti & Co | 10/15/12 | 19,600 | 20,000 | - | - | - | - | 400 | 969 |
| 44 CWSI 2005-46 CB A-3 | 12667GSW8 | Felti & Co | 10/15/12 | 40,604 | 53,297 | - | - | - | - | 12,693 | 2,674 |
| 45 CWSI 2006-12 1A4 | 126694H43 | Felti & Co | 10/15/12 | 41,301 | 53,407 | - | - | - | - | 12,106 | 2,618 |
| 46 Morgan Stanley Step 5% 7/30/30 | 611745EZC4 | Felti & Co | 10/30/12 | 25,000 | 25,000 | - | - | - | - | - | 1,563 |
| 47 Selective Ins Group 6 7% 11/1/35 | 816300AG2 | Felti & Co | 11/09/12 | 31,162 | 28,356 | - | - | - | - | 2,806 | - |
| 48 New York NY 0% 3/1/2041 | 64971PHT5 | Felti & Co | 11/09/12 | 22,554 | 21,550 | - | - | - | - | 1,004 | - |
| 49 Illinois St GO June-03 5 1% 6/1/33 | 452152P1 | Felti & Co | 11/14/12 | 25,313 | 24,829 | - | - | - | - | 484 | - |
| 50 Principal Finl Group 6 05% 10/15/36 | 74251VAA0 | Felti & Co | 11/16/12 | 47,023 | 38,115 | - | - | - | - | 8,908 | - |
| 51 Banc of America 2005-6 2A1 5 5% | 05946XN41 | Felti & Co | 11/26/12 | 1,635 | 1,635 | - | - | - | - | - | 105 |
| 52 Capital One BK VA 4 75% 11/28/12 | 14041AUG2 | Felti & Co | 11/28/12 | 45,000 | 45,000 | - | - | - | - | - | 2,143 |
| 53 Federal Farm Credit Bank Bonds | 31331KWN5 | Felti & Co | 11/28/12 | 30,000 | 30,000 | - | - | - | 540 | - | 1,104 |
| 54 Newmont USA LTD 5 875% 4/1/35 | 651639AE6 | Felti & Co | 11/30/12 | 34,200 | 28,889 | - | - | - | - | 5,311 | - |
| 55 Allen TX ISD ZERO 2/15/32 | 018106FM1 | Felti & Co | 12/06/12 | 50,450 | 49,220 | - | - | - | - | 1,230 | - |
| 56 Goldman Sachs Group 6 125% 2/15/33 | 38141GCU6 | Felti & Co | 12/07/12 | 23,000 | 19,957 | - | - | - | - | 3,043 | - |
| 57 Merrill Lynch Co | 590187TM3 | Felti & Co | 12/07/12 | 22,628 | 20,429 | - | - | - | - | 2,199 | - |
| 58 GE Capital Corporation | 36966RGL4 | Felti & Co | 12/17/12 | 30,000 | 30,000 | - | - | - | - | - | 1,500 |
| 59 | | | | | | | | | | - | - |
| 60 | | | | | | | | | | - | - |
| Totals | | | | 1,737,109 | 1,744,856 | 1,914,371 | 3,399 | 540 | 77,684 | 85,411 | 63,715 |

Exh 1, Ln 3, Col 2
Exh 1, Ln 3, Col 1
Exh 2, Ln 1, Col 2
Exh 2, Ln 1, Col 1

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

| 1 Description (complete and accurate) | 2 Cusip # ID | 3 Number of Shares | 4 Year First Acquired | 5 *Actual Cost | 6 Rate Per Share Used to Obtain Market Value | 7 Market Value | 8 Statement Value (lower of cost or market) | 9 Dividends/ Amount Received During Year | 10 Dividends/ Declared But Unpaid at December 31 |
|---|-----------------|--------------------------|-------------------------------|-------------------|---|-------------------------------|--|--|--|
| 1 Prime Fund - Capital Reserves | 390521102 | 24,188.50 | 06/01/08 | 24,189 | 1.00 | 24,189 | 24,189 | | 5 |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | | | | | | | | | |
| 11 | | | | | | | | | |
| 12 | | | | | | | | | |
| 13 | | | | | | | | | |
| 14 | | | | | | | | | |
| 15 | | | | | | | | | |
| 16 | | | | | | | | | |
| 17 | | | | | | | | | |
| 18 | | | | | | | | | |
| 19 | | | | | | | | | |
| 20 | | | | | | | | | |
| Totals | | | | 24,189 | | 24,189 | 24,189 | 5 | |
| | | | <i>Exh 9, Ln 6, Col 1</i> | | | <i>Exh 1, Ln 4, Col 1</i> | <i>Exh 1, Ln 4, Col 3</i> | | |

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

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

| 1 Description (complete and accurate) | 2 Cusip # ID | 3 Name of Purchaser | 4 Disposal Date | 5 Number of Shares | 6 Consideration Received | 7 Actual Cost | 8 Profit on Disposal | 9 Loss on Disposal | 10 Dividends Received During Year |
|---|-----------------|------------------------|--------------------|-----------------------|-----------------------------|------------------|-------------------------|-----------------------|--------------------------------------|
| 1 FT Unit 1910 Corp Inv Port - Ser 5 | 30276A382 | Fell & Co | 05/23/12 | 11 | 11,441 | 9,683 | 1,758 | - | 259 |
| 2 | | | | | | | | | - |
| 3 | | | | | | | | | - |
| 4 | | | | | | | | | - |
| 5 | | | | | | | | | - |
| 6 | | | | | | | | | - |
| 7 | | | | | | | | | - |
| 8 | | | | | | | | | - |
| 9 | | | | | | | | | - |
| 10 | | | | | | | | | - |
| 11 | | | | | | | | | - |
| 12 | | | | | | | | | - |
| 13 | | | | | | | | | - |
| 14 | | | | | | | | | - |
| 15 | | | | | | | | | - |
| 16 | | | | | | | | | - |
| 17 | | | | | | | | | - |
| 18 | | | | | | | | | - |
| 19 | | | | | | | | | - |
| 20 | | | | | | | | | - |
| Totals | | | | 11,441 | 9,683 | 1,758 | - | - | 259 |

*Exh 2, Ln 5,
Col 1
Exh 2, Ln 5,
Col 2
Exh 1, Ln 4,
Col 1*

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|---------------------|------------------------|--------------|---|--------------|---|---|--|----|
| Description (complete and accurate) | Number of Shares | Year First Acquired | Actual Cost | Rate Per Share Used to Obtain Market Value | Market Value | Statement Value (lower of cost or market) | Dividends/Amount Received During Year | Dividends/Declared But Unpaid at December 31 | |
| 1 Namico Stock Certificate # 251 | 30 | 1988 | 1,500 | 225.31 | 6,759 | 1,500 | - | - | |
| 2 | | | | | | - | - | - | |
| 3 | | | | | | - | - | - | |
| 4 | | | | | | - | - | - | |
| 5 | | | | | | - | - | - | |
| 6 | | | | | | - | - | - | |
| 7 | | | | | | - | - | - | |
| 8 | | | | | | - | - | - | |
| 9 | | | | | | - | - | - | |
| 10 | | | | | | - | - | - | |
| 11 | | | | | | - | - | - | |
| 12 | | | | | | - | - | - | |
| 13 | | | | | | - | - | - | |
| 14 | | | | | | - | - | - | |
| 15 | | | | | | - | - | - | |
| 16 | | | | | | - | - | - | |
| 17 | | | | | | - | - | - | |
| 18 | | | | | | - | - | - | |
| 19 | | | | | | - | - | - | |
| 20 | | | | | | - | - | - | |
| Totals | | | 1,500 | | 6,759 | 1,500 | - | Exh 1,ln 5; Col 1 | |
| | | | | | | | | Exh 1,ln 5; Col 4 | |
| | | | | | | | | Exh 9,ln 7; Col 1 | |
| | | | | | | | | Exh 9,ln 7; Col 3 | |

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

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

Exh 2, Ln 6.
Col 1

Exh 2, Ln 6.
Col 2

Exh 1, Ln 5.
Col 1

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

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

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

*Exh 1,
Ln 6,
Col 3*

*Exh 1,
Ln 6,
Col 1*

*Exh 9,
Ln 8,
Col 1*

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

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|------|-------------|------------------------|-----------------------------|---------------------------|--------------------------|------------------------------------|--|------------------------|
| Description of Property (include location and year acquired) | | Actual Cost | Amount of Encumbrances | Improvements to Home Office | Current year Depreciation | Accumulated Depreciation | Book Value Dec 31 Prior Year Col 7 | Book Value Dec 31 Current Year (Col 1 - 2 + 3) - 5 | Rental Income Received |
| 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 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|------|-------------------|---|--------------------|----------------|--------------|-----------------|
| Description of Property (include location and year acquired) | | Name of Purchaser | Book Value at Date of Sale, Less Encumbrances | Amount Received | Profit on Sale | Loss on Sale | Gross Income |
| 1 | None | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| Totals | | | | | | | |

*Exh 2,
Ln 4,
Col 1*

*Exh 2,
Ln 4,
Col 2*

*Exh 1,
Ln 7,
Col 1*

| Management Ratios | | | | | | |
|--|--------------|------------|-----------------|-----------------|-----------------|-----------------|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| | Current Year | Prior Year | Next Prior Year | Next Prior Year | Next Prior Year | Next Prior Year |
| Gross Written Premium Ratio | | | | | | |
| 1 Gross written premium (Exh. 3, Col. 2, plus 3) divided by policyholder's surplus (Pg. 3, Ln. 17) | 329,662 | 320,119 | 358,959 | 342,330 | 406,369 | 436,956 |
| equals the gross written premium ratio of | 10.7% | 11.2% | 13.2% | 13.7% | 18.1% | 20.9% |
| Net Written Premium Ratio | | | | | | |
| 2 Net written premiums (Exh. 3, Col. 6) divided by policyholder's surplus (Pg. 3, Ln. 17) | 265,776 | 253,885 | 292,619 | 264,477 | 333,505 | 350,045 |
| equals the net written premium ratio of | 8.6% | 8.8% | 10.8% | 10.6% | 14.9% | 16.7% |
| Gross Loss Ratio | | | | | | |
| 3 Gross losses paid (Exh. 5, Col. 2, plus 3) divided by gross written premiums (Exh. 3, Col. 2, plus 3) | 51,547 | 589,156 | 111,153 | 50,814 | 181,008 | 149,137 |
| equals the gross loss ratio of | 15.6% | 184.0% | 31.0% | 14.8% | 44.5% | 34.1% |
| Net Loss Ratio | | | | | | |
| 4 Net losses paid (Exh. 5, Col. 6) divided by net written premiums (Exh. 3, Col. 6) | 47,847 | 132,769 | 94,629 | 48,249 | 162,554 | 149,137 |
| equals the net loss ratio of | 18.0% | 52.3% | 32.3% | 18.2% | 48.7% | 42.6% |
| Operating Expense Ratio | | | | | | |
| 5 Operating expenses paid (Exh. 8, Ln. 25, Col. 1) divided by gross written premiums (Exh. 3, Col. 2, plus 3) | 120,412 | 113,957 | 121,528 | 118,266 | 121,180 | 126,856 |
| equals the operating expense ratio of | 36.5% | 35.6% | 33.9% | 34.5% | 29.8% | 29.0% |
| Investment Yield | | | | | | |
| 6 Investment income earned (Exh. 1, Ln. 10, Col. 5) divided by the sum of admitted assets (Pg. 2, Ln. 1 thru 9) Col. 1 | 124,605 | 125,722 | 127,892 | 113,162 | 115,540 | 112,683 |
| equals the investment yield of | 3.9% | 4.2% | 4.5% | 4.3% | 4.8% | 5.0% |
| Change in Surplus Ratio | | | | | | |
| 7 Stated surplus current year (Pg. 3, Ln. 17, Col. 1) less stated surplus prior year (Pg. 3, Ln. 17, Col. 2) | 3,082,685 | 2,870,896 | 2,709,921 | 2,503,363 | 2,240,825 | 2,090,253 |
| equals change in surplus current year (Pg. 4, Ln. 25, Col. 1) | 2,11,790 | 2,709,921 | 2,503,363 | 2,240,825 | 2,090,253 | 1,898,639 |
| divided by stated surplus prior year (from above) | 2,870,895 | 2,709,921 | 2,503,363 | 2,240,825 | 2,090,253 | 1,898,639 |
| equals the change in surplus ratio of | 7.4% | 5.9% | 8.3% | 11.7% | 7.2% | 10.1% |

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 | North Star & RAM Mutual-Farmowners & Package Policies Packaging companies cover the perils that the mutual cannot by statutes insure |
| (d) Is this business done through a separate agency? | Yes |
| (e) Name the agency | Rice County Insurance Agency |
| (f) Does your Company own the general agency? | No |
| 3 Total number of counties in which the Company is authorized to do business? | 8 |
| List counties in <u>alphabetical order</u> | Dakota Dodge Goodhue Le Sueur Rice Scott Steele Waseca |
| 4 Total number of Cities with a population of 25,000 or greater in which the Company is authorized to do business? | 2 |
| List the cities in <u>alphabetical order</u> | Hastings Shakopee |
| 5 (a) How many members on the Board of Directors? | 5 |
| (b) How many Board of Director's meetings during the year? | 6 |
| (c) What is the average attendance? | 5 |
| 6 Has Company established an annual policy for disclosure to its Board of any interest or affiliation on the part of its officers, directors, or responsible employees which is in conflict or likely to conflict with their official duties? (Y/N) | Yes |
| How is such disclosure made? | Meetings every two months |
| 7 (a) Has any officer, director, or employee filed a loss claim with the Company during the year? | No |
| If so, give name, amount, and date paid | N/A |
| (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? | 29 |
| (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 |

2012 Annual Statement of the
Rice County Mutual Insurance Company

General Interrogatories (continued)

| | |
|--|---|
| 10 Date of the last independent audit? | 12/31/11 |
| Name of accounting firm | Jim Barta CPA |
| Address of firm | PO Box 1879 Mankato, MN 56002-1879 |
| Name of individual in charge of audit | Jim Barta CPA |
| 11 Are those with access to Company funds bonded? | Yes |
| Secretary? | No |
| Treasurer? | Yes |
| Other employees? | |
| Amount? | 40,000 |
| Name of security? | Western Surety |
| 12 Is the Company a member of a state association? | Yes |
| If YES, state the name | Minnesota Association of Farm Mutual Insurance Companies (MAFMIC) |
| Is the Company a member of a national association? | Yes |
| If YES, state the name | National Association of Mutual Insurance Companies (NAMIC) |
| 13 Are all applications and records stored in a fire retardant safe/files in the home office? | Yes |
| If NO, how are they safeguarded? | N/A |
| Do you keep a duplicate set of important Company records stored off premises? | No |
| 14 (a) For what terms are policies written? | One year renewed 3 years |
| (b) Premium payment installments | |
| Annual? | Yes |
| Semi-Annual? | Yes |
| Quarterly? | Yes |
| Other? | No |
| 15 Does the Company have a written inspection program? | No |
| If YES, who inspects the properties? | Manager & Reinsurer |
| How often? | New risks when necessary-Others Random |
| 16 By whom are losses adjusted? | Manager & Independent when necessary |
| 17 Does the Company carry liability (E&O/D&O) insurance on its directors? | Yes |
| Officers? | Yes |
| Employees? | Yes |
| Name of insurer? | NAMIC Insurance Company |
| 18 (a) Has any officer or director of the Company received any commission, fee, or other thing of value in connection with any investment or loan made by the Company during the year of this statement? | No |
| If YES, give the particulars | N/A |
| (b) Has the Company made any personal loan to any director, officer, agent, or employee? | No |
| If YES, give the particulars | N/A |
| 19 Have any dividends been declared during the year? | No |
| If YES, give basis for the distribution | N/A |
| 20 Any newly appointed agents during this year? | No |
| If YES, list names and addresses | N/A |
| Are all agents licensed? | Yes |
| If NOT, explain | |
| 21 How are agents compensated? | Commissions |
| Commission rate or rates | 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 |

2012 Annual Statement of the
Rice County Mutual Insurance Company

General Interrogatories (continued)

| | |
|--------------------------------------|------------|
| 25 Homeowners direct written premium | \$ 933,000 |
| Homeowners direct losses paid | \$ 978 |
| Homeowners direct loss ratio | 0% |

| | |
|---|------|
| 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 | 0% |

Number of Policyholders / Insurance in Force

| | | | | |
|--|-------------------------|-----|--------------------|-------------|
| 1 December 31 of Prior year | Number of policyholders | 612 | Insurance in Force | 255,822,405 |
| 2 Net addition or deduction for the year | Number of policyholders | (4) | Insurance in Force | 8,081,364 |
| 3 December 31 of Current year | Number of policyholders | 608 | Insurance in Force | 263,903,769 |

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Phone 507-625-4245 FAX 507-625-9290

INDEPENDENT ACCOUNTANTS' COMPILED REPORT

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

I have compiled the statutory statements of admitted assets, liabilities, and policyholders' surplus of Rice County Mutual Insurance Company as of December 31, 2012 and 2011, and the related statutory statements of income for the years then ended, included in the accompanying prescribed form. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Commerce Department of the State of Minnesota.

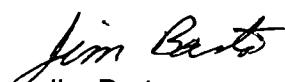
Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Commerce Department of the State of Minnesota and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation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

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The 2011 financial statements were compiled by me from financial statements that I previously audited, as indicated in my unqualified report dated November 1, 2012.

The supplementary information contained in Exhibits 1 through 11, Schedules A through H, Management Ratios, General Interrogatories, and the Supplemental Compensation and Expense Exhibit are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

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



Jim Barta
Certified Public Accountant

February 14, 2013