



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012

OF THE CONDITION AND AFFAIRS OF THE

Farmers and Mechanics Fire and Casualty Ins.Co.

NAIC Group Code 4339, 4339 NAIC Company Code 12611 Employer's ID Number 03-0599676
(Current Period) (Prior Period)

Organized under the Laws of West Virginia, State of Domicile or Port of Entry West Virginia

Country of Domicile US

Incorporated/Organized May 2, 2006 Commenced Business July 24, 2006

Statutory Home Office 25 Administrative Drive, Martinsburg, West Virginia 25404
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 25 Administrative Drive, Martinsburg, West Virginia 25404 304-263-0809
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 1917, Martinsburg, West Virginia 25402
(Street and Number or P. O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 25 Administrative Drive, Martinsburg, West Virginia 25404
(Street and Number, City or Town, State and Zip Code)
304-263-0809
(Area Code) (Telephone Number)

Internet Website Address www.fmiwv.com

Statutory Statement Contact Daniel Ray Otto 304-596-9927
(Name) (Area Code) (Telephone Number) (Extension)
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OFFICERS

Foster Lee Sirbaugh, Jr. # (President)
 Martin Berkeley Frye (Secretary)
 John Wayne Lancaster (Treasurer)

OTHER OFFICERS

Daniel Ray Otto (VP-Accounting)
 Stacey Marie Matteson (VP-Underwriting)

DIRECTORS OR TRUSTEES

James P Whitacre
 James Wayne Dailey, III
 Bernard Lee Snyder
 John Wayne Lancaster
 Edwin Dennis McCormick
 Kenneth L Banks
 Martin Berkeley Frye
 Foster Lee Sirbaugh, Jr#

State of West Virginia }
 County of Berkeley } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

 Foster Lee Sirbaugh, Jr. #
 President

 Martin Berkeley Frye
 Secretary

 John Wayne Lancaster
 Treasurer

Subscribed and sworn to before me this
 9 day of November, 2012

- a. Is this an original filing? Yes (X) No ()
- b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	3,695,309		3,695,309	3,282,833
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$), cash equivalents (\$ 666,734) and short-term investments (\$ 71,391)	738,124		738,124	896,031
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 to Line 11)	4,433,433		4,433,433	4,178,864
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	22,631		22,631	20,546
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	75,296		75,296	53,153
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	3,068,493		3,068,493	2,450,732
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	291,045		291,045	117,399
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	164,580	6,742	157,838	157,838
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	130,005		130,005	30,353
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	8,185,483	6,742	8,178,741	7,008,885
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	8,185,483	6,742	8,178,741	7,008,885
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1001 through Line 1103 plus Line 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 595,536)	861,746	615,373
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	252,994	234,245
4. Commissions payable, contingent commissions and other similar charges	600,736	365,162
5. Other expenses (excluding taxes, licenses and fees)	771	2,694
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	146,055	60,619
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	14,292	195,071
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 1,674,114 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	2,732,547	2,194,077
10. Advance premium	31,476	15,834
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	199,613	117,068
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	4,840,230	3,800,143
27. Protected cell liabilities		
28. Total liabilities (Line 26 and Line 27)	4,840,230	3,800,143
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	1,200,000	1,200,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	1,800,000	1,800,000
35. Unassigned funds (surplus)	338,511	208,742
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Line 29 through Line 35, less Line 36)	3,338,511	3,208,742
38. Totals (Page 2, Line 28, Column 3)	8,178,741	7,008,885
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 6,176,239)	5,285,013	4,231,829	5,837,139
1.2 Assumed (written \$)			
1.3 Ceded (written \$ 2,376,972)	2,024,216	1,608,474	2,221,171
1.4 Net (written \$ 3,799,267)	3,260,797	2,623,355	3,615,968
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	3,082,316	1,917,346	2,857,478
2.2 Assumed			
2.3 Ceded	1,325,625	760,301	1,188,286
2.4 Net	1,756,691	1,157,045	1,669,192
3. Loss adjustment expenses incurred	241,875	140,385	363,589
4. Other underwriting expenses incurred	1,121,641	931,396	1,094,368
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Line 2 through Line 5)	3,120,207	2,228,826	3,127,149
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	140,590	394,529	488,819
INVESTMENT INCOME			
9. Net investment income earned	47,782	55,920	68,913
10. Net realized capital gains (losses) less capital gains tax of \$	17,490	17,943	22,884
11. Net investment gain (loss) (Line 9 plus Line 10)	65,272	73,863	91,797
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ (22,022))	(22,022)	(7,154)	(21,252)
13. Finance and service charges not included in premiums	11,150	9,871	13,727
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Line 12 through Line 14)	(10,872)	2,717	(7,525)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	194,990	471,109	573,091
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	194,990	471,109	573,091
19. Federal and foreign income taxes incurred	65,221	146,625	218,282
20. Net income (Line 18 minus Line 19) (to Line 22)	129,769	324,484	354,809
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	3,208,742	2,795,232	2,795,232
22. Net income (from Line 20)	129,769	324,484	354,809
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			61,308
27. Change in nonadmitted assets			(2,607)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Line 22 through Line 37)	129,769	324,484	413,510
39. Surplus as regards policyholders, as of statement date (Line 21 plus Line 38)	3,338,511	3,119,716	3,208,742
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)			
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	3,257,550	2,656,725	3,624,515
2. Net investment income	66,548	50,010	69,037
3. Miscellaneous income	(10,872)	2,717	(7,525)
4. Total (Line 1 through Line 3)	3,313,226	2,709,452	3,686,027
5. Benefit and loss related payments	1,683,964	1,020,505	1,566,916
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	1,025,680	1,066,578	1,557,526
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	246,000	28,178	36,928
10. Total (Line 5 through Line 9)	2,955,644	2,115,261	3,161,370
11. Net cash from operations (Line 4 minus Line 10)	357,582	594,191	524,657
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,585,131	2,555,352	3,434,782
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	1,585,131	2,555,352	3,434,782
13. Cost of investments acquired (long-term only):			
13.1 Bonds	2,000,968	2,924,041	3,906,651
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Line 13.1 through Line 13.6)	2,000,968	2,924,041	3,906,651
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(415,837)	(368,689)	(471,869)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(99,652)	(141,678)	(118,270)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(99,652)	(141,678)	(118,270)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(157,907)	83,824	(65,482)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	896,031	961,513	961,513
19.2 End of period (Line 18 plus Line 19.1)	738,124	1,045,337	896,031

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices: The accompanying financial statements of Farmers & Mechanics Mutual Insurance Company of West Virginia have been prepared in conformity with the National Association of Insurance Commissioners Annual Statement Instructions and Accounting Practices and Procedures Manual and the state laws of West Virginia.

B. Use of Estimates in the Preparation of the Financial Statements: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policies:

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest, dividends and rent income less investment related expense. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rental income consists of an imputed rent for the Company's occupancy of its own building. Net realized capital gains (losses) are recognized using the FIFO basis when securities are sold, redeemed or otherwise disposed.

Real estate investments consist solely of property occupied by the Company and it is carried at depreciated cost.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments (none owned at statement date) are stated at the lower of amortized value for fair value.
- (2) Investment grade bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
- (3) Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at market value.
- (4) Investment grade perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are state at the lower of amortized value or fair value. Investment grade redeemable preferred stocks (none owned at statement date) are stated at amortized value.
- (5) Mortgage loans on real estate: None
- (6) Investment grade loan-backed are stated at amortized value.
- (7) Investment in insurance subsidiary, Farmers & Mechanics Fire and Casualty Insurance Company, is stated at statutory equity value.
- (8) Investments in joint ventures and partnerships: None
- (9) Derivatives: None
- (10) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- (13) Pharmaceutical Rebate Receivables are not applicable as the Company does not write major medical insurance with prescription drug coverage.

2. Accounting Changes and Corrections of Errors

No Significant Change

3. Business Combinations and Goodwill

No Significant Change

4. Discontinued Operations

NOTES TO FINANCIAL STATEMENTS

No Significant Change

5. Investments

A. Mortgage loans, including mezzanine real estate loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Andrew Davidson Company.

(2) The Company had no OTTI for Loan-Back Securities

E. Repurchase Agreements

No Significant Change

F. Write-downs for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features.

None

G. Low Income Housing Tax Credits

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

No Significant Change

8. Derivative Instruments

None

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

No Significant Change

10. Information Concerning Parent, Subsidiaries and Affiliates

No Significant Change

11. Debt

No Significant Change

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

No Significant Change

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

None

14. Contingencies

A. Contingent Commitments

None

B. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund assessments by the State of West Virginia. Guaranty fund assessments should be accrued at the time of insolvency. The Company is not aware of any insolvency's that would require an assessment accrual.

C. Gain Contingencies

None

D. Extra Contractual Obligation and Bad Faith Losses

None

E. Product Warranties

None

F. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

NOTES TO FINANCIAL STATEMENTS

15. Leases

No Significant Change

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements**A. Inputs Used for Assets and Liabilities Measured at Fair Value****1. Fair Value Measurements by Levels 1, 2 and 3**

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The only asset measured at fair value in this category is the Company's wholly owned insurance subsidiary, which is measured using the Statutory Equity Method.

Level 3 - Significant Unobservable Inputs: The Company has no assets or liabilities measured at fair value in this category.

1	2	3	4	5
Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Bonds and asset backed securities				
Bonds - issuer obligations	--	--	--	--
Multi class commercial mortgage-backed securities	--	--	--	--
Total bonds and asset-backed securities	--	--	--	--
Preferred stocks				
Perpetual -	--	--	--	--

NOTES TO FINANCIAL STATEMENTS

industrial and miscellaneous				
Total preferred stocks	--	--	--	--
Common stocks				
Industrial and miscellaneous	--	--	--	--
Subsidiary	--	--	--	--
Mutual funds	--	--	--	--
Total common stocks	--	--	--	--
Total assets at fair value	--	--	--	--
Liabilities at fair value				
Derivative liabilities	--	--	--	--
Total liabilities at fair value	--	--	--	--

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below.

During 2011, there were no transfers between Levels 1 and 2.

2. Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 3 category.

No Bonds were carried at fair value.

No Preferred stocks carried at fair value were categorized as Level 2..

Common stocks carried at fair value categorized as Level 2 were valued using the Statutory Equity Method.

5. Derivative Fair Values

Not Applicable

B. Other Fair Value Disclosures

Not Applicable

C. Reasons Not Practical to Estimate Fair Values

Not Applicable

21. Other Items

No Significant Change

22. Events Subsequent

NOTES TO FINANCIAL STATEMENTS

There were no events occurring subsequent to December 31, 2011 meriting disclosure.

23. Reinsurance

No Significant Change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$208,000 during the first nine months of 2012. This is 24.5% of unpaid losses and loss adjustment expenses of \$850,000 as of December 31, 2011. Increases or decreases occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses. Additional or return premiums have not been accrued as a result of the prior year effects.

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlement

None

28. Health Care Receivables

Not Applicable

29. Participating Accident and Health Policies

Not Applicable

30. Premium Deficiency Reserves

None

31. High Deductibles

Not Applicable

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

The Company does not discount losses.

33. Asbestos/Environmental Reserves

Due to the types of coverage and perils written by the Company, exposure to asbestos and environmental claims is deemed to be minimal. Therefore, no specific reserves are held for such events.

34. Subscriber Savings Accounts

Not Applicable

35. Multiple Peril Crop

Not Applicable

NOTES TO FINANCIAL STATEMENTS

36. Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes () No (X)
- 1.2 If yes, has the report been filed with the domiciliary state? Yes () No ()
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes () No (X)
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes () No () N/A (X)
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/12/2009
- 6.4 By what department or departments?
WV INSURANCE DEPARTMENT
.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes () No () N/A (X)
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes () No (X)
- 7.2 If yes, give full information
.....
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
.....

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....
.....
.....

GENERAL INTERROGATORIES (continued)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (X) No ()
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:

- 9.2 Has the code of ethics for senior managers been amended? Yes () No (X)
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes (X) No ()
- 10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$ 130,005

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes () No (X)
- 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
13. Amount of real estate and mortgages held in short-term investments: \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes () No (X)

14.2 If yes, please complete the following:

	1 Prior Year-End Book/ Adjusted Carrying Value	2 Current Quarter Book/ Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$	\$
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$	\$

- 15.1 Has the reporting entity entered into any hedging transactions reported on schedule DB? Yes () No (X)
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No ()
 If no, attach a description with this statement.

GENERAL INTERROGATORIES (continued)

PART 1 - COMMON INTERROGATORIES

INVESTMENT

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Consideration, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes () No (X)

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian (s)	2 Custodian Address
US BANK	425 WALNUT ST, CINCINNATI OH 45202
CITYBANK	111 WALL ST, NEW YORK, NY 10043
.....
.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes () No (X)

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name (s)	3 Address
.....	GOLDMAN SACHS ASSET MANAGEMENT	200 WEST ST, NEW YORK, NY 10282-2198
.....
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES - Line 4.2 (Continued)

If response to 4.1 is yes, provide the name of entity, NAIC Company Code, and the state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
---------------------	------------------------	------------------------

GENERAL INTERROGATORIES - Line 8.4 (Continued)

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.)

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
---------------------	-----------------------------	----------	----------	-----------	----------

GENERAL INTERROGATORIES - Line 16.1 (continued)

For all agreements that comply with the requirements of the NAIC Financial Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
---------------------------	------------------------

US BANK 425 WALNUT ST., CINCINNATI, OH 45202
 CITIBANK 111 WALL ST, NEW YORK, NY 10043

GENERAL INTERROGATORIES - Line 16.2 (continued)

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examinera Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
--------------	------------------	------------------------------

GENERAL INTERROGATORIES - Line 16.4 (continued)

If response to 16.3 is yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
--------------------	--------------------	---------------------	-------------

GENERAL INTERROGATORIES - Line 16.5 (continued)

Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
---	--------------	--------------

..... GOLDMAN SACHS ASSET MANAGEMENT 200 WEST ST, NEW YORK, NY 10282-2198

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY AND CASUALTY INTERROGATORIES

- 1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes () No () N/A (X)
If yes, attach an explanation.

- 2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes () No (X)
If yes, attach an explanation.

- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes () No (X)

- 3.2 If yes, give full and complete information thereto
.....
.....
.....

- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes () No (X)

- 4.2 If yes, complete the Discount Schedule.

- 5. Operating Percentages:
 - 5.1 A&H loss percent %

 - 5.2 A&H cost containment percent %

 - 5.3 A&H expense percent excluding cost containment expenses %

- 6.1 Do you act as a custodian for health savings accounts? Yes () No (X)

- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

- 6.3 Do you act as an administrator for health savings accounts? Yes () No (X)

- 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$

Page 9

Schedule F - Ceded Reinsurance

NONE

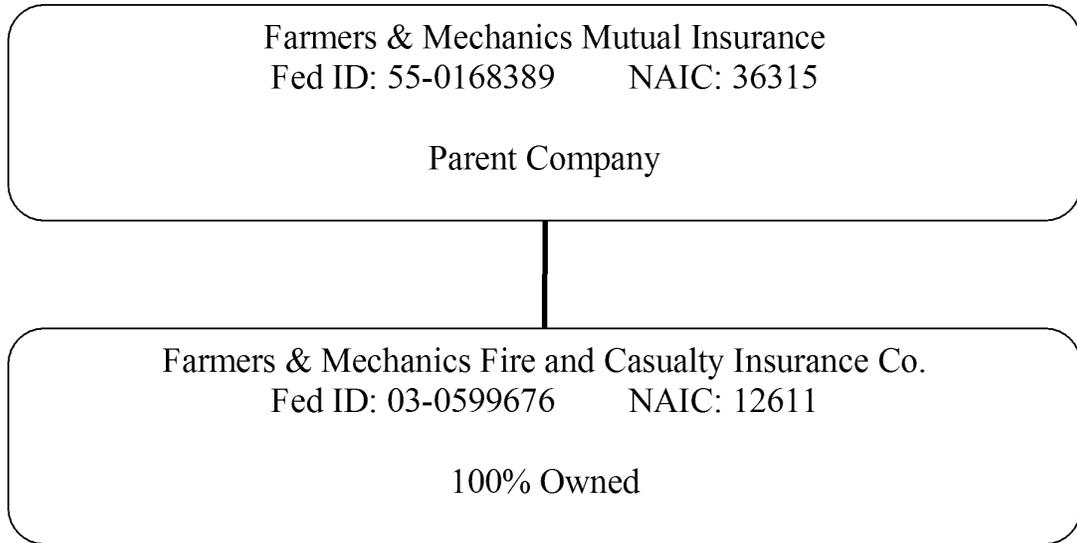
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1		Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	Active Status		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	N						
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	N						
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	L	6,176,239	5,217,407	2,580,395	1,785,521	1,546,159	903,776
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U. S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N						
58. Aggregate Other Alien	OT	XXX						
59. Totals	(a)	1	6,176,239	5,217,407	2,580,395	1,785,521	1,546,159	903,776
DETAILS OF WRITE-INS								
5801		XXX						
5802		XXX						
5803		XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX						
5899. TOTALS (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		XXX						

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of "L" responses except for Canada and Other Alien.



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity (ies) / Person (s)	*
4339	FARMERS AND MECHANICS MUTUAL G.	36315	55-0168389				FARMERS AND MECHANICS MUTUAL	WV	UDP		BOARD			
4339	FARMERS AND MECHANICS MUTUAL G.	12611	03-0599676				FARMERS AND MECHANICS FIRE AND CASUALTY	WV		FARMERS AND MECHANICS MUTUAL	BOARD		FARMERS AND MECHANICS MUTUAL	

Asterisk

Explanation

NONE

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril	13,028			
5. Commercial multiple peril	363,663	309,482	85.1	9.7
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	57,539			
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	2,708,256	1,656,337	61.2	40.7
19.3, 19.4 Commercial auto liability				
21. Auto physical damage	2,142,462	1,116,497	52.1	53.5
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	65			
35. TOTALS	5,285,013	3,082,316	58.3	45.3
DETAILS OF WRITE-INS				
3401. WV Mine Subsidence	65			
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)	65			

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril	3,419	8,140	8,722
5. Commercial multiple peril	122,614	386,225	369,450
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	22,130	64,602	47,017
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	1,705,988	3,154,501	1,767,220
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	1,355,778	2,562,678	3,024,998
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	83	93	
35. TOTALS	3,210,012	6,176,239	5,217,407
DETAILS OF WRITE-INS			
3401. WV Mine Subsidence	83	93	
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)	83	93	

PART 3 (000 Omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Column 1 plus Column 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Column 4 plus Column 5)	Q. S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q. S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q. S. Date IBNR Loss and LAE Reserves	Total Q. S. Loss and LAE Reserves (Column 7 plus Column 8 plus Column 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings) / Deficiency (Column 4 plus Column 7 minus Column 1)	Prior-Year-End IBNR Loss and LAE Reserves Developed (Savings) / Deficiency (Column 5 plus Column 8 plus Column 9 minus Column 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings) / Deficiency (Column 11 plus Column 12)
1. 2009 + Prior	51	53	104	78		78	30		30	60	57	(23)	34
2. 2010	51	123	174	135		135	41	32	40	113	125	(51)	74
3. Subtotals 2010 + prior	102	176	278	213		213	71	32	70	173	182	(74)	108
4. 2011	307	264	571	283	43	326	255	15	75	345	231	(131)	100
5. Subtotals 2011 + prior	409	440	849	496	43	539	326	47	145	518	413	(205)	208
6. 2012	X X X	X X X	X X X	X X X	1,194	1,194	X X X	270	325	595	X X X	X X X	X X X
7. Totals	409	440	849	496	1,237	1,733	326	317	470	1,113	413	(205)	208
8. Prior Year-End Surplus As Regards Policy-holders	3,209										Column 11, Line 7 As % of Column 1, Line 7	Column 12, Line 7 As % of Column 2, Line 7	Column 13, Line 7 As % of Column 3, Line 7
											1. 101.0 %	2. (46.6) %	3. 24.5 %
													Column 13, Line 7
													Line 8
													4. 6.5 %

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Responses

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

Not applicable

BARCODE:

Document Identifier 490:



2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?

NO

EXPLANATION:

Not applicable

BARCODE:

Document Identifier 455:



3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

Not applicable

BARCODE:

Document Identifier 365:



4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?

NO

EXPLANATION:

Not applicable

BARCODE:

Document Identifier 505:



SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Cost of acquired:		
2.1. Actual cost at time of acquisition		
2.2. Additional investment made after ac		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/ac		
7. Deduct current year's other than temporar		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding		
2. Cost of acquired:		
2.1. Actual cost at time of acquisition		
2.2. Additional investment made after a		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mort		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12. Total Valuation Allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Cost of acquired:		
2.1. Actual cost at time of acquisition		
2.2. Additional investment made after a		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	3,282,832	2,783,079
2. Cost of bonds and stocks acquired	2,000,968	3,906,651
3. Accrual of discount	274	238
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	17,490	34,672
6. Deduct consideration for bonds and stocks disposed of	1,585,131	3,434,782
7. Deduct amortization of premium	21,125	7,026
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)	3,695,308	3,282,832
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	3,695,308	3,282,832

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	3,694,730	1,643,499	1,683,766	(8,553)	3,658,904	3,694,730	3,645,910	3,639,425
2. Class 2 (a)	55,860	65,057		(128)	55,915	55,860	120,789	55,969
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	3,750,590	1,708,556	1,683,766	(8,681)	3,714,819	3,750,590	3,766,699	3,695,394
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	3,750,590	1,708,556	1,683,766	(8,681)	3,714,819	3,750,590	3,766,699	3,695,394

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999 Totals	71,390	X X X	71,390		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year	412,562	246,412
2. Cost of short-term investments acquired	1,200,998	3,531,761
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,542,169	3,365,611
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	71,391	412,562
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	71,391	412,562

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Schedule DB, Part A, Verification

NONE

Schedule DB, Part B, Verification

NONE

Page SI05

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open

NONE

Page SI06

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open

NONE

Page SI07

Schedule DB, Verification

NONE

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	483,469	715,101
2. Cost of cash equivalents acquired	183,265	
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		231,632
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	666,734	483,469
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	666,734	483,469

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

Page E02

Schedule B, Part 2, Mortgage Loans Acquired
NONE

Schedule B, Part 3, Mortgage Loans Disposed
NONE

Page E03

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U. S. Governments									
912828-SL-5	US Treasury Notes . 0.250% 03/31/14		09/26/2012	Credit Suisse		339,961	340,000.00	418	1
912828-TA-8	US Treasury . 0.250% 06/30/14		07/20/2012	Credit Suisse		300,189	300,000.00	47	1
912828-TC-4	US Treasury . 1.000% 06/30/19		07/20/2012	JP Morgan		60,230	60,000.00	38	1
912828-TD-2	US Treasury . 0.250% 07/15/15		07/20/2012	JP Morgan		99,868	100,000.00	5	1
0599999	Subtotal - Bonds - U. S. Governments					800,247	800,000.00	508	
Bonds - U. S. Political Subdivisions of States, Territories and Possessions									
442331-PX-6	HOUSTON TEX . 5.000% 03/01/17		07/19/2012	B. C. Ziegler and Company		58,925	50,000.00	993	1FE
64966J-VQ-6	New York NY . 5.000% 08/01/18		07/25/2012	BMO Nesbitt Burns		60,843	50,000.00	986	1FE
763631-G8-5	Richland Cnty SC . 4.000% 03/01/17		09/12/2012	Salomon Brothers		34,255	30,000.00		1FE
839550-Y5-3	South Portland ME . 4.000% 07/15/17		07/09/2012	Robert W. Baird & Co.		57,521	50,000.00	233	1FE
2499999	Subtotal - Bonds - U. S. Political Subdivisions of States, Territories and Possessions					211,543	180,000.00	2,213	
Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions									
29270C-UN-3	ENERGY NORTHWEST WASH ELEC REV . 5.250%		08/06/2012	B. C. Ziegler and Company		61,490	50,000.00	277	1FE
57604P-3A-0	Massachusetts St Water Pollute . 5.000%		07/26/2012	Wells Fargo		67,529	55,000.00	1,375	1FE
3199999	Subtotal - Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					129,019	105,000.00	1,652	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
05531F-AL-7	BB&T Corporation Series MTN . 1.600% 08/		08/10/2012	Deutsche Bank		30,108	30,000.00	1	1FE
06051G-EQ-8	Banc of America Funding Corp . 3.875% 03		08/10/2012	Wachovia		31,551	30,000.00	462	1FE
277432-AM-2	Eastman Chemical . 2.400% 06/01/17		08/10/2012	Morgan Stanley Dean Witter		30,876	30,000.00	140	2FE
278865-AL-4	Ecolab Inc . 4.350% 12/08/21		08/10/2012	Morgan Stanley Dean Witter		34,181	30,000.00	243	2FE
60687V-AE-5	Merrill Lynch / Countrywide Comm Series 20		08/07/2012	Barclays Global		68,489	60,000.00	81	1FM
693476-BM-4	PNC Funding Corp basic . 2.700% 09/19/16		08/10/2012	Barclays Global		31,663	30,000.00	329	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					226,868	210,000.00	1,256	
8399997	Subtotal - Bonds - Part 3					1,367,678	1,295,000.00	5,628	
8399999	Subtotal - Bonds					1,367,678	1,295,000.00	5,628	
9999999	TOTALS					1,367,678		5,628	

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(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Farmers and Mechanics Fire and Casualty Ins. Co.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U. S. Governments																					
912828-QX-1	US Treasury Notes . 1.500% 07/31/16		08/07/2012	JP Morgan		17,664	17,000.00	17,469	17,437		(56)		(56)		17,380		284	284	261	07/31/2016	1
912828-RC-6	US Treasury . 2.125% 08/15/21		07/20/2012	HSBC Securities, Inc.		106,863	100,000.00	102,711	102,645		(141)		(141)		102,504		4,359	4,359	1,991	08/15/2021	1
912828-SS-0	US Treasury Notes . 0.875% 04/30/17		08/07/2012	Various		202,269	200,000.00	201,251			(53)		(53)		201,198		1,071	1,071	473	04/30/2017	1
912828-TC-4	US Treasury . 1.000% 06/30/19		08/07/2012	Various		59,826	60,000.00	60,230			(1)		(1)		60,229		(402)	(402)	63	06/30/2019	1
0599999	- Subtotal - Bonds - U. S. Governments					386,622	377,000.00	381,661	120,082		(252)		(252)		381,311		5,311	5,311	2,787		
Bonds - U. S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128M7-SX-5	FGLMC Pool# G05634 . 4.000% 10/01/39		09/01/2012	Paydown		4,894	4,894.00	5,109	5,107		(212)		(212)		4,894				132	10/01/2039	1
312936-Y2-7	FGLMC Pool# A89729 . 4.000% 11/01/39		09/01/2012	Paydown		5,592	5,592.00	5,815	5,812		(220)		(220)		5,592				151	11/01/2039	1
3132GF-WA-1	FGLMC Pool# Q02441 . 4.000% 08/01/41		09/01/2012	Paydown		3,243	3,243.00	3,384	3,383		(140)		(140)		3,243				86	08/01/2041	1
3132GG-A2-1	FHLMC Pool# Q02725 . 4.000% 08/01/41		09/01/2012	Paydown		4,033	4,033.00	4,178	4,177		(144)		(144)		4,033				110	08/01/2041	1
31412R-BJ-5	FNMA Pool # 93251 . 4.000% 02/01/40		09/01/2012	Paydown		6,486	6,486.00	6,724	6,721		(234)		(234)		6,486				177	02/01/2040	1
3199999	- Subtotal - Bonds - U. S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					24,249	24,249.00	25,210	25,199		(950)		(950)		24,249				657		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
22541N-UJ-6	CS First Boston Mtge Sec Series 2002-		09/01/2012	Paydown		14,561	14,561.00	14,867	14,841		(280)		(280)		14,561				458	12/15/2035	1FM
46625M-LS-6	JP Morgan Chase Commercial Series 200		08/01/2012	Paydown		4,141	4,141.00	4,185	4,177		(36)		(36)		4,141				137	07/12/2037	1FM
52108H-YJ-7	LB-UBS Commercial Mtge Trust 2004-C1		09/11/2012	Paydown		2,205	2,205.00	2,249	2,241		(36)		(36)		2,205				64	01/15/2029	1FM
61745M-XB-4	Morgan Stanley Capital I Series 2004-		09/01/2012	Paydown		103	103.00	108	107		(5)		(5)		103				3	01/13/2041	1FM
61746W-DB-9	Morgan Stanley Capital I Series 2003-		09/01/2012	Paydown		4,203	4,203.00	4,360	4,320		(118)		(118)		4,203				126	03/12/2035	1FM
3899999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					25,213	25,213.00	25,768	25,687		(474)		(474)		25,213				788		
8399997	- Subtotal - Bonds - Part 4					436,084	426,462.00	432,639	170,968		(1,676)		(1,676)		430,773		5,311	5,311	4,232		
8399999	- Subtotal - Bonds					436,084	426,462.00	432,639	170,968		(1,676)		(1,676)		430,773		5,311	5,311	4,232		
9999999	- TOTALS					436,084		432,639	170,968		(1,676)		(1,676)		430,773		5,311	5,311	4,232		

E05

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues

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Schedule DB, Part A, Section 1

NONE

Financial or Economic Impact of the Hedge

NONE

Page E07

Schedule DB, Part B, Section 1

NONE

Schedule DB, Part B, Section 1, Broker Name

NONE

Schedule DB, Part B, Financial or Economic Impact of the Hedge

NONE

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Schedule DB, Part D

NONE

Page E09

Schedule DL, Part 1

NONE

Page E10

Schedule DL, Part 2

NONE

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Schedule E, Part 1, Cash

NONE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book / Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
Sweep Accounts							
UNITED BANK, MARTINSBURG WV	RA	09/30/2012	0.200	10/01/2012	666,734		672
8499999 - Sweep Accounts					666,734		672
8699999 - Total Cash Equivalents					666,734		672