



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012

OF THE CONDITION AND AFFAIRS OF THE

Farmers and Mechanics Mutual Ins. Co. of WV

NAIC Group Code 4339, 4339 NAIC Company Code 36315 Employer's ID Number 55-0168389
(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 December 18, 1877 Commenced Business March 23, 1878

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 P.O. Box 1917, Martinsburg, West Virginia 25402-1917
(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
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OFFICERS

FOSTER LEE SIRBAUGH, JR. # (President)
 MARTIN BERKELEY FRYE (Secretary)
 JOHN WAYNE LANCASTER (Treasurer)

OTHER OFFICERS

DANIEL RAY OTTO
 STACEY MARIE MATTESON

DIRECTORS OR TRUSTEES

JAMES P WHITACRE
 JAMES WAYNE DAILEY, II
 CHARLES ALBERT HENSELL
 JOHN WAYNE LANCASTER
 EDWIN DENNIS MCCORMICK
 WALTER BENJAMIN RIDENOUR, (Emeritus)
 VICKI JEAN SHOCKEY FULK

DONALD THEODORE ANDERSON, (Emeritus)
 KENNETH L BANKS
 MARTIN BERKELEY FRYE
 GORDON ALGER LUTZ, (Emeritus)
 ANTHONY JOSEPH PETRUCCI
 BERNARD LEE SNYDER
 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	33,696,284		33,696,284	31,979,871
2. Stocks:				
2.1 Preferred stocks	555,900		555,900	698,075
2.2 Common stocks	4,842,841		4,842,841	6,273,832
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)	1,481,908		1,481,908	1,512,813
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 276,504), cash equivalents (\$ 198,178) and short-term investments (\$ 3,210,718)	3,685,400		3,685,400	2,764,539
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)	44,262,333		44,262,333	43,229,130
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	292,742		292,742	356,880
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	323,600		323,600	253,102
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	3,396,200		3,396,200	2,986,322
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,514,503		1,514,503	305,836
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	99,216		99,216	47,707
18.2 Net deferred tax asset	1,122,722	333,946	788,776	777,974
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	114,787		114,787	117,887
21. Furniture and equipment, including health care delivery assets (\$)	206,333	206,333		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	64,899	63,774	1,125	1,105
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	51,397,335	604,053	50,793,282	48,075,943
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	51,397,335	604,053	50,793,282	48,075,943
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. Equity in NAMICO Pool	1,125		1,125	1,105
2502. Prepaid Expenses	63,774	63,774		
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)	64,899	63,774	1,125	1,105

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 1,354,091)	1,847,854	2,287,976
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	707,309	670,402
4. Commissions payable, contingent commissions and other similar charges	973,461	1,027,147
5. Other expenses (excluding taxes, licenses and fees)	218,632	170,711
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		1,248
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 361,459 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)	10,903,331	10,070,106
10. Advance premium	333,088	221,187
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	34,857	33,330
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	3,316	
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	130,005	30,353
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)	15,151,853	14,512,460
27. Protected cell liabilities		
28. Total liabilities (Line 26 and Line 27)	15,151,853	14,512,460
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	35,641,429	33,563,483
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)	35,641,429	33,563,483
38. Totals (Page 2, Line 28, Column 3)	50,793,282	48,075,943
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 \$ 16,321,929)	15,430,094	14,626,353	19,631,826
1.2 Assumed (written \$ 119,638)	119,637	93,779	127,759
1.3 Ceded (written \$ 1,780,569)	1,721,959	1,063,543	1,503,791
1.4 Net (written \$ 14,660,998)	13,827,772	13,656,589	18,255,794
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 6,096,847):			
2.1 Direct	10,712,638	5,601,462	6,908,014
2.2 Assumed	(464)	(10)	(10)
2.3 Ceded	4,630,834	325,348	258,650
2.4 Net	6,081,340	5,276,104	6,649,354
3. Loss adjustment expenses incurred	1,227,275	924,522	1,503,385
4. Other underwriting expenses incurred	5,185,087	4,683,122	6,254,931
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Line 2 through Line 5)	12,493,702	10,883,748	14,407,670
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	1,334,070	2,772,841	3,848,124
INVESTMENT INCOME			
9. Net investment income earned	800,959	767,676	1,004,015
10. Net realized capital gains (losses) less capital gains tax of \$	256,869	110,478	134,055
11. Net investment gain (loss) (Line 9 plus Line 10)	1,057,828	878,154	1,138,070
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 10,993)	(10,993)	(18,540)	(22,903)
13. Finance and service charges not included in premiums	102,766	108,569	144,124
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Line 12 through Line 14)	91,773	90,029	121,221
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)	2,483,671	3,741,024	5,107,415
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)	2,483,671	3,741,024	5,107,415
19. Federal and foreign income taxes incurred	776,794	1,278,969	1,576,524
20. Net income (Line 18 minus Line 19) (to Line 22)	1,706,877	2,462,055	3,530,891
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	33,563,483	29,920,898	29,920,898
22. Net income (from Line 20)	1,706,877	2,462,055	3,530,891
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	328,308	(310,501)	188,622
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			(12,458)
27. Change in nonadmitted assets	31,959	(18,374)	(64,470)
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	10,802		
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)	2,077,946	2,133,180	3,642,585
39. Surplus as regards policyholders, as of statement date (Line 21 plus Line 38)	35,641,429	32,054,078	33,563,483
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. Loss on Fixed Asset Disposal			
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	14,294,049	14,011,907	18,351,835
2. Net investment income	1,093,242	898,940	1,151,192
3. Miscellaneous income	91,773	90,029	121,221
4. Total (Line 1 through Line 3)	15,479,064	15,000,876	19,624,248
5. Benefit and loss related payments	7,730,129	5,516,743	7,104,514
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	6,382,468	5,720,286	7,787,455
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	828,303	930,381	1,473,672
10. Total (Line 5 through Line 9)	14,940,900	12,167,410	16,365,641
11. Net cash from operations (Line 4 minus Line 10)	538,164	2,833,466	3,258,607
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	6,034,576	10,862,729	14,330,906
12.2 Stocks	4,134,031	4,601,401	5,115,390
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)	10,168,607	15,464,130	19,446,296
13. Cost of investments acquired (long-term only):			
13.1 Bonds	7,870,895	13,205,554	19,160,229
13.2 Stocks	2,053,022	3,585,849	4,561,126
13.3 Mortgage loans			
13.4 Real estate		37,261	37,261
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Line 13.1 through Line 13.6)	9,923,917	16,828,664	23,758,616
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)	244,690	(1,364,534)	(4,312,320)
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)	138,007	40,565	62,036
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	138,007	40,565	62,036
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)	920,861	1,509,497	(991,677)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,764,539	3,756,216	3,756,216
19.2 End of period (Line 18 plus Line 19.1)	3,685,400	5,265,713	2,764,539

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 or 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

NOTES TO FINANCIAL STATEMENTS

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

Deferred Tax Assets and Surplus has been increased \$10,802 as a result of the implementation of SSAP 101.

3. Business Combinations and Goodwill

No Significant Change

4. Discontinued Operations

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

NOTES TO FINANCIAL STATEMENTS

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

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

NOTES TO FINANCIAL STATEMENTS

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.

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

NOTES TO FINANCIAL STATEMENTS

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 - industrial and miscellaneous	\$555,900	--	--	\$555,900
Total preferred stocks	\$555,900	--	--	\$555,900
Common stocks				
Industrial and miscellaneous	\$1,504,330	--	--	\$1,504,330
Subsidiary	--	\$3,338,511	--	3,338,511
Mutual funds	--	--	--	--

NOTES TO FINANCIAL STATEMENTS

Total common stocks	\$1,504,330	\$3,338,511	--	\$4,842,841
Total assets at fair value	\$2,060,230	\$3,338,511		\$5,398,741
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 2012, 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

NOTES TO FINANCIAL STATEMENTS

21. Other Items

On June 29, 2012, a major wind storm covering the entire state produced 1,350 claims and \$5.6M in direct incurred losses. This event was covered under Catastrophe Reinsurance for 95% of all losses in excess of \$500,000.

22. Events Subsequent

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 decreased by \$379,000 during the first nine months. This is 12.8% of unpaid losses and loss adjustment expenses of \$2,958,378 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

NOTES TO FINANCIAL STATEMENTS

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

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). 01/08/2009
- 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 () No (X)
- 10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$

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 (X) No ()

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	\$ 3,338,511	\$ 3,242,018
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)	\$ 3,338,511	\$ 3,242,018
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
SUNTRUST	PO BOX 26665, RICHMOND, VA 23261-6665
.....

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
 SUNTRUST PO BOX 26665, RICHMOND, VA 23261-6665

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	L	107					
48. Washington	WA	N						
49. West Virginia	WV	L	16,321,822	15,206,690	10,638,785	5,925,032	3,237,610	3,680,832
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)	2	16,321,929	15,206,690	10,638,785	5,925,032	3,237,610	3,680,832
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.

Farmers & Mechanics Mutual Insurance
Fed ID: 55-0168389 NAIC: 36315

Parent Company

|
|
|

Farmers & Mechanics Fire and Casualty Insurance Co.
Fed ID: 03-0599676 NAIC: 12611

100% Owned

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			BOARD			
4339	FARMERS AND MECHANICS MUTUAL G.	12611	03-0599676				FARMERS AND MECHANICS FIRE AND CASUALTY	WV	DS	FARMERS AND MECHANICS MUTUAL	BOARD		FARMERS AND MECHANICS MUTUAL	

Asterisk

Explanation

NONE

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	2,421,053	1,325,827	54.8	36.3
2. Allied lines	801,497	914,341	114.1	59.7
3. Farmowners multiple peril	2,143,716	1,963,442	91.6	34.3
4. Homeowners multiple peril	7,195,999	5,695,955	79.2	43.3
5. Commercial multiple peril	1,802,746	696,581	38.6	29.4
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	3,658			
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	779,150	97,202	12.5	22.0
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				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
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	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business	282,275	19,290	6.8	1.2
35. TOTALS	15,430,094	10,712,638	69.4	38.3
DETAILS OF WRITE-INS				
3401. WV Mine Subsidence (100% Ceded)	71,824	100	0.1	
3402. Identity Theft	184,545			0.8
3403. Equipment Breakdown	25,906	19,190	74.1	8.8
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)	282,275	19,290	6.8	1.2

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year to Date
1. Fire	912,658	2,511,394	2,334,486
2. Allied lines	338,934	870,477	741,473
3. Farmowners multiple peril	703,457	2,307,802	2,067,740
4. Homeowners multiple peril	3,648,893	7,639,213	7,283,109
5. Commercial multiple peril	560,822	1,874,416	1,760,292
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	2,295	7,986	
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	288,715	817,474	730,742
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			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
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	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
34. Aggregate write-ins for other lines of business	133,891	293,167	288,848
35. TOTALS	6,589,665	16,321,929	15,206,690
DETAILS OF WRITE-INS			
3401. WV Mine Subsidence (100% Ceded)	31,067	78,029	70,154
3402. Identity Theft	95,064	184,363	196,189
3403. Equipment Breakdown	7,760	30,775	22,505
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34)	133,891	293,167	288,848

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Farmers and Mechanics Mutual Ins. Co. of WV

PART 3 (000 Omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
	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	253	142	395	267		267	117		100	217	131	(42)	89
2. 2010	307	257	564	554	4	558	168	91	200	459	415	38	453
3. Subtotals 2010 + prior	560	399	959	821	4	825	285	91	300	676	546	(4)	542
4. 2011	1,288	711	1,999	1,289	159	1,448	117	21	250	388	118	(281)	(163)
5. Subtotals 2011 + prior	1,848	1,110	2,958	2,110	163	2,273	402	112	550	1,064	664	(285)	379
6. 2012	X X X	X X X	X X X	X X X	5,438	5,438	X X X	930	560	1,490	X X X	X X X	X X X
7. Totals	1,848	1,110	2,958	2,110	5,601	7,711	402	1,042	1,110	2,554	664	(285)	379
8. Prior Year-End Surplus As Regards Policy-holders	33,563										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. 35.9 %	2. (25.7) %	3. 12.8 %
													Column 13, Line 7
													Line 8
													4. 1.1 %

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 31 of prior year	1,512,813	1,516,361
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		37,261
2.2 Additional investment made after acquisition		
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/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	30,905	40,809
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)	1,481,908	1,512,813
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	1,481,908	1,512,813

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	38,951,778	34,562,913
2. Cost of bonds and stocks acquired	9,923,917	23,721,355
3. Accrual of discount	11,312	15,489
4. Unrealized valuation increase (decrease)	328,308	72,768
5. Total gain (loss) on disposals	256,869	203,116
6. Deduct consideration for bonds and stocks disposed of	10,168,607	19,446,296
7. Deduct amortization of premium	208,552	177,567
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)	39,095,025	38,951,778
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	39,095,025	38,951,778

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)	32,533,894	8,540,354	5,752,169	(67,748)	32,267,920	32,533,894	35,254,331	32,375,561
2. Class 2 (a)	1,656,391			(3,720)	1,396,104	1,656,391	1,652,671	1,651,416
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	34,190,285	8,540,354	5,752,169	(71,468)	33,664,024	34,190,285	36,907,002	34,026,977
PREFERRED STOCK								
8. Class 1								
9. Class 2	539,000			9,100	539,000	539,000	548,100	676,875
10. Class 3	15,000			(15,000)	187,500	15,000		
11. Class 4								
12. Class 5								
13. Class 6	21,200		13,400		15,900	21,200	7,800	21,200
14. Total Preferred Stock	575,200		13,400	(5,900)	742,400	575,200	555,900	698,075
15. Total Bonds and Preferred Stock	34,765,485	8,540,354	5,765,569	(77,368)	34,406,424	34,765,485	37,462,902	34,725,052

(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	3,210,718	X X X	3,210,718		

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	2,047,106	2,769,569
2. Cost of short-term investments acquired	11,262,667	21,727,250
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	10,099,055	22,449,713
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)	3,210,718	2,047,106
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	3,210,718	2,047,106

Page SI04

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	480,249	792,525
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	282,071	312,276
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)	198,178	480,249
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	198,178	480,249

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-TB-6	US Treasury . 0.750% 06/30/17		07/20/2012	Credit Suisse		705,690	700,000.00	328	1
912828-TD-2	US Treasury . 0.250% 07/15/15		07/20/2012	JP Morgan		399,470	400,000.00	22	1
0599999	Subtotal - Bonds - U. S. Governments					1,105,160	1,100,000.00	350	
Bonds - U. S. Political Subdivisions of States, Territories and Possessions									
167486-QL-6	Chicago IL . 5.250% 01/01/20		07/09/2012	Tax Free Exchange		327,070	320,000.00	373	1FE
167486-QW-2	Chicago IL . 5.250% 01/01/20		07/09/2012	Tax Free Exchange		183,977	180,000.00	210	1FE
763631-G8-5	Richland Cnty SC . 4.000% 03/01/17		09/12/2012	Salomon Brothers		228,366	200,000.00		1FE
2499999	Subtotal - Bonds - U. S. Political Subdivisions of States, Territories and Possessions					739,414	700,000.00	583	
Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions									
3138EJ-RP-5	FNMA Pool AL2293 . 4.375% 06/01/21		08/17/2012	Credit Suisse		115,156	100,000.00	267	1
31396X-YV-0	FNMA Series 2007-91 Class EF . 0.757% 10		09/05/2012	Credit Suisse		672,761	666,719.00	215	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					787,917	766,719.00	483	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
60687V-AE-5	Merrill Lynch/Countrywide Comm Series 20		08/07/2012	Barclays Global		684,891	600,000.00	812	1FM
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					684,891	600,000.00	812	
8399997	Subtotal - Bonds - Part 3					3,317,381	3,166,719.00	2,228	
8399999	Subtotal - Bonds					3,317,381	3,166,719.00	2,228	
9999999	TOTALS					3,317,381		2,228	

E04

(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 Mutual Ins. Co. of WV

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																					
912810-QS-0	US Treasury Note Bonds . 3.750% 08/15		07/20/2012	JP Morgan		125,671	100,000.00	105,781	105,742		(63)		(63)		105,679		19,992	19,992	3,513	08/15/2041	1
912828-TB-6	US Treasury . 0.750% 06/30/17		08/07/2012	Credit Suisse		702,486	700,000.00	705,690		(49)		(49)		705,640		(3,155)	(3,155)	556	06/30/2017	1	
912828-TD-2	US Treasury . 0.250% 07/15/15		09/05/2012	JP Morgan		399,436	400,000.00	399,470		22		22		399,492		(56)	(56)	144	07/15/2015	1	
0599999	- Subtotal - Bonds - U. S. Governments					1,227,594	1,200,000.00	1,210,941	105,742		(91)		(91)		1,210,811		16,782	16,782	4,213		
Bonds - U. S. Political Subdivisions of States																					
167484-3U-6	Chicago Ill Taxable . 5.250% 01/01/20		07/09/2012	Tax Free Exchange		511,048	500,000.00	539,555	514,808		(3,760)		(3,760)		511,048				26,833	01/01/2020	1FE
2499999	- Subtotal - Bonds - U. S. Political Subdivisions of States					511,048	500,000.00	539,555	514,808		(3,760)		(3,760)		511,048				26,833		
Bonds - U. S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
29270C-CQ-6	ENERGY NORTHWEST WASH ELEC REV . 5.75		07/01/2012	Call	100.0000	250,000	250,000.00	270,238	252,951		(2,951)		(2,951)		250,000				14,375	07/01/2015	1FE
3128M8-2S-2	FGLMC Pool# G06785 . 4.000% 10/01/41		09/01/2012	Paydown		14,615	14,615.00	15,300	15,297		(682)		(682)		14,615				397	10/01/2041	1
312936-Y2-7	FGLMC Pool# A89729 . 4.000% 11/01/39		09/01/2012	Paydown		34,174	34,174.00	35,535	35,518		(1,345)		(1,345)		34,174				920	11/01/2039	1
31294K-CL-7	FHLMC Gold Pool E00975 . 6.000% 05/01		09/01/2012	Paydown		380	380.00	380	380					380				15	05/01/2016	1	
3132GG-A2-1	FHLMC Pool# Q02725 . 4.000% 08/01/41		09/01/2012	Paydown		26,889	26,889.00	27,856	27,846		(957)		(957)		26,889				736	08/01/2041	1
3132GJ-ME-6	FHLMC Pool# Q03357 . 4.000% 09/01/41		09/01/2012	Paydown		9,137	9,137.00	9,555	9,553		(416)		(416)		9,137				250	09/01/2041	1
3132GK-SB-3	FGLMC Pool# Q04414 . 3.500% 11/01/41		09/01/2012	Paydown		6,832	6,832.00	6,977	6,976		(143)		(143)		6,832				152	11/01/2041	1
3132GU-KR-4	FHLMC Pool Q09004 . 3.500% 06/01/42		09/01/2012	Paydown		1,570	1,570.00	1,642	1,642		(71)		(71)		1,570				11	06/01/2042	1
31371K-KH-3	FNMA Pool 254196 . 6.000% 02/01/17		09/01/2012	Paydown		1,268	1,268.00	1,268	1,267		1		1		1,268				50	02/01/2017	1
31388G-RK-9	FNMA Pool 604490 . 6.000% 11/01/16		09/01/2012	Paydown		775	775.00	786	784		(9)		(9)		775				31	11/01/2016	1
31389F-QB-1	FNMA Pool 624250 . 6.000% 01/01/17		09/01/2012	Paydown		1,767	1,767.00	1,757	1,757		10		10		1,767				70	01/01/2017	1
31389H-LW-6	FNMA Pool 625941 . 6.000% 03/01/17		09/01/2012	Paydown		572	572.00	570	570		2		2		572				23	03/01/2017	1
3138A8-YY-6	FNMA FNMA Pool No. AH7026 . 5.000% 03		09/01/2012	Paydown		21,739	21,739.00	23,284	23,270		(1,531)		(1,531)		21,739				737	03/01/2041	1
3138AN-QS-5	FNMA Pool A18564 . 3.500% 05/01/42		09/01/2012	Paydown		13,283	13,283.00	13,964	13,964		(681)		(681)		13,283				110	05/01/2042	1
3138EJ-RP-5	FNMA Pool AL2293 . 4.375% 06/01/21		09/04/2012	Paydown		83	83.00	95	95		(13)		(13)		83					06/01/2021	1
3138LS-LS-7	FNMA Pool A02136 . 3.500% 05/01/42		09/01/2012	Paydown		6,253	6,253.00	6,555	6,555		(303)		(303)		6,253				35	05/01/2042	1
3138LU-MK-8	FNMA Pool A03961 . 3.500% 05/01/42		09/01/2012	Paydown		1,624	1,624.00	1,707	1,707		(83)		(83)		1,624				9	05/01/2042	1
31393V-GQ-8	FHLMC Series 2626 Class EM . 4.500% 0		09/01/2012	Paydown		16,623	16,623.00	15,975	16,085		538		538		16,623				488	06/15/2018	1
31394J-6X-0	FHLMC Series 2681 Class VA . 5.000% 0		09/01/2012	Paydown		13,296	13,296.00	13,790	13,649		(353)		(353)		13,296				443	09/15/2014	1
31396X-YY-0	FNMA Series 2007-91 Class EF . 0.757%		09/25/2012	Paydown		15,706	15,706.00	15,848	15,848		(142)		(142)		15,706				10	10/25/2037	1
31397H-NV-6	FHLMC Series RO13 Class AB . 6.000% 1		07/01/2012	Paydown		2,331	2,331.00	2,329	2,327		4		4		2,331				82	12/15/2021	1
31412R-BJ-5	FNMA Pool # 93251 . 4.000% 02/01/40		09/01/2012	Paydown		39,639	39,639.00	41,089	41,070		(1,430)		(1,430)		39,639				1,084	02/01/2040	1
31417B-GJ-1	FNCL Pool AB5372 . 3.500% 06/01/42		09/01/2012	Paydown		5,842	5,842.00	6,130	6,130		(288)		(288)		5,842				34	06/01/2042	1
38373Q-7S-4	GNMA Series 2003-53 Class PB . 5.000%		09/01/2012	Paydown		57,504	57,504.00	55,887	56,480		1,024		1,024		57,504				1,942	12/20/2031	1
38377D-XF-8	GOVERNMENT NATIONAL MORTGAGE A Series		09/01/2012	Paydown		77,027	77,027.00	79,915	79,312		(2,285)		(2,285)		77,027				2,364	06/20/2027	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					618,928	618,928.00	648,431	585,091		(12,105)		(12,105)		618,928				24,367		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
22541N-UJ-6	CS First Boston Mtge Sec Series 2002-		09/01/2012	Paydown		137,986	137,986.00	140,886	140,636		(2,650)		(2,650)		137,986				4,340	12/15/2035	1FM
46625M-LS-6	JP Morgan Chase Commercial Series 200		08/01/2012	Paydown		37,270	37,270.00	37,661	37,593		(322)		(322)		37,270				1,233	07/12/2037	1FM
52108H-YJ-7	LB-UBS Commercial Mtge Trust 2004-C1		09/11/2012	Paydown		17,640	17,640.00	17,992	17,931		(291)		(291)		17,640				511	01/15/2029	1FM
61745M-XB-4	Morgan Stanley Capital I Series 2004-		09/01/2012	Paydown		1,072	1,072.00	1,123	1,120		(48)		(48)		1,072				34	01/13/2041	1FM
61746W-D4-9	Morgan Stanley Capital I Series 2003-		09/01/2012	Paydown		37,826	37,826.00	39,236	38,883		(1,058)		(1,058)		37,826				1,133	03/12/2035	1FM
3899999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					231,794	231,794.00	236,897	236,163		(4,369)		(4,369)		231,794				7,251		
8399997	- Subtotal - Bonds - Part 4					2,589,363	2,550,722.00	2,635,825	1,441,805		(20,325)		(20,325)		2,572,581		16,782	16,782	62,665		
8399999	- Subtotal - Bonds					2,589,363	2,550,722.00	2,635,825	1,441,805		(20,325)		(20,325)		2,572,581		16,782	16,782	62,665		

FO5

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

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 CUSIP Identifi- cation	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designa- tion or Market Indica- tor (a)												
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.																			
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																																	
313586-76-0	FNMA		08/16/2012	JP Morgan	20,000,000	38,000		13,400	13,400						13,400		24,600	24,600			P6LFE												
8499999	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																			38,000		13,400	13,400		13,400		24,600	24,600					
8999997	Subtotal - Preferred Stocks - Part 4																			38,000		13,400	13,400		13,400		24,600	24,600					
8999999	Subtotal - Preferred Stocks																			38,000		13,400	13,400		13,400		24,600	24,600					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																																	
78462F-10-3	Standard & Poor's Dep Receipts		09/04/2012	BNY Securities	20,000,000	2,805,425		2,559,600	1,004,000	(28,720)			(28,720)		2,559,600		245,826	245,826	27,293		L												
9099999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)																			2,805,425		2,559,600	1,004,000	(28,720)		(28,720)		2,559,600		245,826	245,826	27,293	
9799997	Subtotal - Common Stocks - Part 4																			2,805,425		2,559,600	1,004,000	(28,720)		(28,720)		2,559,600		245,826	245,826	27,293	
9799999	Subtotal - Common Stocks																			2,805,425		2,559,600	1,004,000	(28,720)		(28,720)		2,559,600		245,826	245,826	27,293	
9899999	Subtotal - Preferred and Common Stocks																			2,843,425		2,573,000	1,017,400	(28,720)		(28,720)		2,573,000		270,426	270,426	27,293	
9999999	TOTALS																			5,432,788		5,208,824	2,459,205	(28,720)	(20,325)	(49,046)		5,145,581		287,208	287,208	89,958	

Page E06

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

Page E08

Schedule DB, Part D

NONE

Page E09

Schedule DL, Part 1

NONE

Page E10

Schedule DL, Part 2

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
US BANK ACH	CINCINNATI, OH					300,011	344,016	274,546	
CENTRA PAYROLL	MARTINSBURG, WV					13,231	7,911	1,758	
0199999 - TOTAL - Open Depositories						313,242	351,927	276,304	
0399999 - TOTAL Cash on Deposit						313,242	351,927	276,304	
0499999 - Cash in Company's Office						200	200	200	
0599999 - TOTALS						313,442	352,127	276,504	

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 SWEEP	RA	09/30/2012	0.200	10/01/2012	198,178		1,041
8499999 - Sweep Accounts					198,178		1,041
8699999 - Total Cash Equivalents					198,178		1,041