ANNUAL STATEMENT
OF THE
(NAME OF COMPANY)
(STREET ADDRESS)
(CITY, STATE, ZIP)
A FARM MUTUAL INSURANCE COMPANY
OF IN THE STATE OF TEXAS
TO THE COMMISSIONER OF INSURANCE
OF THE
STATE OF TEXAS FOR THE YEAR ENDED
(Draft - Pending Approval)

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INSTRUCTIONS FOR THE 2006 FARM MUTUAL ANNUAL STATEMENT

Please read these instructions carefully before completing the statement blank. The name of the company should be entered in the space provided on each page of the statement blank.

SECTION I, PAGE 2

Section I is a statement of income and disbursements which should be taken directly from the cash receipts and cash disbursements records of your company. The "Ledger Assets" amounts as reflected on line 48, page 2 of the previous year's annual statement should be entered on line 1, page 2 of the current year's annual statement.

SECTION II, PAGE 3

Section II is the balance sheet for your company, which should reflect all ledger assets, non-ledger assets, assets not admitted, and all the liabilities as of December 31.

SECTION III, PAGES 4,5,6,7

Section III, Parts 1,2,3, and 4 are self-explanatory and must be completed in accordance with the appropriate headings.

SECTION IV, PAGES 8 & 9

Section IV is self-explanatory and must be completed in accordance with the appropriate headings.

SECTION V, PAGE 10

The total of Section V, column 1 must agree with the amount on line 2, Section I.

State the basis or method used in computing unearned premium reserve if applicable.

SECTION VI, PAGE 11

The total of Section VI, column 4 must agree with the amount on line 17, Section I.

The total of Section VI, column 6 must agree with the amount on line 35, Section II.

SECTION VII, PAGE 12

The total of the deposits on December 31 must agree with the amount on line 7, Section II. Include all certificates of deposit.

SECTION VIII, PAGE 13

The total of Section VIII, columns 1 and 2 must be equal to the sum of columns 3 and 4.

Sections IX, X, and XI are self-explanatory and must be completed in accordance with the headings in corresponding sections.

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2006 OF THE CONDITIONS AND AFFAIRS OF THE

Employer I.D. Number	(NAME OF COME	PANY)		
	(
IOME OFFICE (Street and Number)	(City or Town)	(State)	(Zip Code)	(Telephone Number)
(Street and Number)	(City of Town)	(State)	(Zip Code)	(Telephone Number)
IAILING ADDRES <u>S</u>				
(Street and Number) (or P.O. Box)	(City or Town)	(State)	(Zip Code)	(Telephone Number)
	MADE T C OMMISSIONER		ANCE	
	OF THE STAT		ANCE	
	PURSUANT TO THE		REOF	
organized		Commenced	Business	
(Date of Temporary Permit to Solicit App	olication)		(Da	te of First Certificate of Authority)
FEIGERS AND DIDECTORS				
DFFICERS AND DIRECTORS. Complete all items and each column b	v listing ALL OFFICER	RS and DIREC	TORS as of Decem	her 31
	y insting field of field			DATE FIRST
*OFFICERS				APPOINTED
(List full name)			FITLE	OR ELECTED
			President Vice-President	
			Secretary	
			Treasurer	
				DATE FIRST
*DIRECTORS (List full name)		r	FITLE	APPOINTED OR ELECTED
			Director	OK LELCTED
			Director	
		Ι	Director	
		I	Director	
			Director	
			Director	
			Director Director	
		1	Director	
state of Texas				
County of				
	, President;			, Secretary;
nd				
nd	, of the above named Co	mpany or Asso	ociation, being duly	sworn, deposes and says
hat they are the above described officers of sa	id Company or Associat	ion, and that o	n the thirsty-first da	y of December, all of
ne assets described herein were the absolute p nereon, except as noted, and that the following				
eferred to, are a full and correct exhibit of all			•	
f the said Company or Association on the said				
ubscribed and sworn to before me this				President
ay of ,				riesiueilt
·,,,				Secretary
SEAL				
				Treasurer
Notary	Public	Sign	ature and Title of Pe	erson Preparing Statement
Totaly		51510		
County	of Texas	-	-	by at least two officers and
Au commission orniros		perso	on preparing Statem	eent)
Ay commission expires				

*Show full name (initials not acceptable) and indicate by number sign(#) those officers and directors who did not occupy the indicated position in the previous year.

SECTION I - STATEMENT OF INCOME AND DISBURSEMENTS

1. Ledger Assets December 31, Previous Year.....

INCOME

2.	Assessments and direct premium collected
3.	Gross reinsurance premium collected
4.	Interest and dividends received
5.	Rent income
6.	Profit on sale of assets
7.	Adjustment in book value of ledger assets
8.	Other miscellaneous income
9.	Gross Income (Lines 2 through 8)
10.	Borrowed money
11.	Increase in ledger liabilities
12.	Reinsurance allowance and experience refunds
13.	
14.	Total (Lines 10 through 13)
15.	Total Gross Funds Available (Lines 9 + 14)

DISBURSEMENTS

	Gross assessment and net premium ceded to reinsurers
17.	Net losses paid
10	(To agree with Sec VI, Col. 4 Line 15)
18.	Claim adjustment expenses paid
	(a) Salaries
	+ (b) Independent adjusters
	& attorneys
	+ (c) Expense for (a) and $(a) = 1$
	(b) above
	- (d) Recovered from
	reinsurers
19.	Total net loss and adjustment expenses (Lines 16 + 17 + 18)
20.	Commissions to agents
21.	Commission-reinsurance assumed
22.	Advertising
23.	Salaries for employees and contract labor
24.	
25.	Travel expenses
	Rent, repairs, depreciation
27.	Printing, stationery, postage
28.	Utilities and telephone
29.	Insurance taxes, licenses, and fees
30.	Taxes (property, payroll, sales)
31.	Loss on sale of assets
32.	Adjustment in book value of ledger assets
33.	Data processing
34.	Legal and auditing
35.	Interest paid on borrowed money
	Office supplies
37.	Other miscellaneous expenses (itemize)
38.	
39.	
40.	
41.	Operation disbursements (Lines 20 thru 40)
42.	Dividends to policyholders
	Federal income taxes
44.	Borrowed money repaid (principal only)
45.	Decrease in ledger liabilities
46.	Total (Lines 42 through 45)
47.	Total Disbursements (Lines 19 + 41 + 46)
48.	Ledger Assets December 31, Current Year (Lines 1 + 15 - 47)

SECTION II - BALANCE SHEET LEDGER ASSETS

1.	Bonds (Section III, Part 1, Col 5, line 25)
2.	Stocks (Section III, Part 2, Col 5, line 25)
3.	Mortgage loans (Section IV, Col 11, line 50)
4.	Real estate, less \$ encumbrances
5.	Collateral loans
6.	Cash in office
7.	Cash on deposit (Section VII)
	Agents' balances or uncollected premiums
9.	Premium notes
10.	Furniture and equipment
	Other (Itemize)
14.	
15.	Total Ledger Assets (To agree with Section I, Line 48)

NON-LEDGER ASSETS

16.	Interest due or accrued
17.	Market value of stocks over book value
	Section III, Part 2, Col. 7, line 25 minus col. 5, line 25)
18.	Other (Itemize)
19.	
20.	
22.	Total Non-Ledger Assets

ASSETS NOT ADMITTED

23.	Agents' balances or uncollected premium over 90 days past due
24.	Premium notes
25.	Furniture and equipment
	Book value of stocks in excess of market value
	Section III, Part 2, Col. 5, line 25 minus col. 7, line 25)
27.	Other assets not admitted (itemize)
28.	
32.	
33.	Total assets not admitted
	Net Admitted Assets (Lines 15 + 22 - Line 33)

LIABILITIES

35.	Unpaid losses (To agree with section VI, Col. 6 line 15)
36.	Loss adjustment expenses due and unpaid, including \$ for
	losses incurred and not reported
37.	Unearned premium reserve (To agree with Section V, Col. 6, line 15)
38.	Commissions due and payable to agents
39.	Compensation due to management
40.	Salaries, rent, and other expenses due and accrued
41.	Borrowed money
	Interest, due and accrued on borrowed money
43.	All other liabilities (list)
45.	
46.	Total Liabilities (Lines 35 - 45, inclusive)
47.	Surplus to policyholders (Lines 34 - 46)
	Balance (To equal Line 34)
	Note - Contingent Asset:
	Policyholders' Contingent Liability

		Showing all BONDS, Owned December 31 of the Current Year										
	(1)	(2)	(3)	(4)	(5)	(6)		(7)		(8)	(9)	(10)
								INTEREST				
DI	ESCRIPTION of each bond - include CUSIP #	Date Acquired	Par Value	Actual Cost	Book Value	Market Value December 31 of Current Year	Rate (%) (a)	Amount Due and Accrued Dec. 31 of Current Year on bonds not in default (b)	Gross Amount Received During Year (c)	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Amount of Interest due and accrued Dec. 31, current year, on bonds in default
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.												
22.												
23.												
24.												
25.	TOTALS	XXX	XXX				XXX					
	_ 5 11125			1				1				

SECTION III - Part I Showing all BONDS, Owned December 31 of the Current Year

2006 ANNUAL STATEMENT OF THE

(Write or Stamp Name of Company)

Image No.e Par Value Rate Par Value Market Value Market Value Market Value Market Value Multiple Multi				÷			Ownea December 31				
Image No.et No.et Par Yalue Book Yalue Rafe P Share Market Value Market Va		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Image No.et No.et Par Yalue Book Yalue Rafe P Share Market Value Market Va											Increase/
Image Name Persare Book Name Value (Name) Actual Cost Received num Adjustmenting DSCRIPTION, including CUSIP#			Date	No. of	Par Value		Rate Per Share			DIVIDENDS	
bscription, including CUSIP# Image: second sec						Rook Voluo		Markat Valua	Actual Cast		
DESCRIPTION, including CUSIP #II			Acquireu	Shares	i ei Share	DOOK Value		Walket value	Actual Cost		
I I<							Market value			rear	
21 Image: sector of the sect		DESCRIPTION, including CUSIP #									During Year
A 1Image: sector of the secto	1.										
A 1Image: sector of the secto	2.										
44Image: sector of the sector of	3.										
5. Image: state of the s											
6.Image: sector of the sector of											
7. Image: style st											
8. Image: sector se											
9.Image: sector of the sector of											
10.11											
11.11											
12.13.14											
13.Image: sector of the sector of	11.										
14.Image: sector of the sector of	12.										
14.Image: sector of the sector of	13.										
15. Image: state of the											
16171617 <td></td>											
17.Image: mark of the strain of t											
18.19											
19.19											
20. 2											
21. 22. 23. 23. 24. 24. 25. 26. 27. 2											
22.											
23.	21.										
24.	22.										
24.	23.										
	24.										
	25.		XXX		XXX		XXX				

SECTION III - Part 2 Showing all PREFERRED and COMMON STOCKS Owned December 31 of the Current Year

	Showing all Bonds and Stocks ACQUIRED During Year								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
		*Date Acquired	From Whom Acquired	No. of Shares of Stock	Actual Cost (Excluding Accrued Interest on Bonds)	Par Value of Bonds	PAID for Accrued Interest on Bonds		
	DESCRIPTION, including CUSIP #								
1.									
2. 3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									
21.									
22.									
23.									
24.									
25.	TOTAL	XXX	XXX	XXX		XXX			

SECTION III - Part 3 Showing all Bonds and Stocks ACQUIRED During Year

*The items with reference to each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "various" inserted in columns (2) and (3)

2006 ANNUAL STATEMENT OF THE

(Write or Stamp Name of Company)

	Showing all BONDS and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Year									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	DESCRIPTION ive description of each bond and stock. Bonds, preferred cks and common stocks to be grouped separately, including CUSIP #s.	Date Sold	NAME OF PURCHASER (If matured or called under redemption option, state and give price at which called)	No. of Shares of Stock	Consideration (Excluding Accrued Interest on Bonds)	Par Value of Bonds	Actual Cost (Excluding Accrued Interest on Bonds)	Book Value at Date of Sale	Increase (Decrease) by Adjustment in Book Value During Year	Dividends and Inte on Bonds and Sto Received During Y (Including accru interest on Bonds s
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13.										
14.										
15.										
16.										
17.										
18.										
19. 20										
20.										
21.										
22.										
23.										
24. 25.	TOTALS									
25.	IUIALS	XXX	XXX	XXX						

SECTION III - Part 4 Showing all BONDS and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Year

SECTION IV

Showing all MORTGAGE LOANS OWNED December 31 of Current Year, and all Mortgage Loans Made, Increased, Discharged, Reduced or Disposed of During the Year. (Indicate by symbols FHA and VA loans if loans are so insured)

	DA OF N		F	RECORD OF	MORTGAG	E	AMOUNT UNPAID DEC. 31 OF PREVIOUS
NAME OF MORTGAGOR	Year	Year	Date				
(1)	Given (2)	Due (3)	Recorded (4)	County (5)	Book (6)	Page (7)	Dollars (8)
1.							
2.							
3.							
4.							
5.							
6. 7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17. 18.							
19.							
20.							
21.							
22.							
23.							
24.							
25.							
26.							
27.							
28.							
29. 30.							
31.							
32.							
33.							
34.							
35.							
36.							
37.							
38.							
39. 40.							
40.							
42.							
43.	1	L		L	1	1	
44.							
45.							
46.							
47.							
48.							
49.						TOTAT	
50.						TOTAL	

*Includes all mortgages "Purchased" or otherwise acquired during the year and all increases during the year on loans outstanding December 31 of previous year

Showing all MORTGAGE LOANS OWNED December 31 of Current Year, and all Mortgage Loans Made, Increased,
Discharged, Reduced or Disposed of During the Year. (Indicate by symbols FHA and VA loans if loans are so insured)

Dischargen,	Reduced of Dispose	ed of During the Ye		icuic by symbo	13 I IIII unu V		JE OF	
	PRINCIPAL			INTERES	Т		ateral	
AMOUNT LOANED DURING YEAR*	AMOUNT PAID ON ACCOUNT OR IN FULL DURING	UNPAID DEC. 31 OF CURRENT		DEC. 31 OF	AMOUNT RECEIVED DURING		BUILD- INGS	
DURING YEAR* (9)	IN FULL DURING YEAR		RATE (%) (12)	DEC. 31 OF CURRENT YEAR	DURING YEAR (14)	LANDS (15)		CARRIED ON BUILDINGS (17)
			XXX					

SECTION V EXHIBIT OF PREMIUMS

	C		L'E Frank Lang Datasan				
		uding Policy & Members	-				
		and Premiums on Policie					
	Direct	Reinsurance	Reinsurance	Net Premiums			Premiums Earned
	Writings	Assumed	Ceded	Cols. $(1) + (2)$	Unearned Premiums	Unearned Premiums	Cols. $(4) + (5)$
				Minus Col. (3)	Previous Year	Current Year*	- Col. (6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Fire							
2. Extended coverage							
3. Tornado, wind, cyclone, hail (excluding growing							
crops)							
4. Explosion, riot, civil commotion							
5. Earthquake							
6. Inland marine							
7. Auto property damage							
8. Auto collision							
9. Auto fire							
10. Auto theft							
11. Auto comprehensive							
Other (specify)							
12							
13							
14							
15. Totals	a.					b.	
	a. To agree with ar	nount on Line 2, Section	I.		-		
	b. Line 37, Section	II					
*State basis or method used in computing unearned prem	nium reserve.						
Enter here the amount of dividends paid to policyholders.	. \$	(To agree	e with Line 42, Section I)				

SECTION VI EXHIBIT OF LOSSES

					LOSSES			
		Direct Losses Paid (Deducting Salvage)	Losses Paid on Reinsurance Assumed	Direct Recoveries on Reinsurance Ceded	Net Losses Paid Cols. (1) + (2) Minus Col. (3)	Unpaid Losses Previous Year	Unpaid Losses Current Year*	Net Losses Incurred Cols. (4) + (6) Minus Col. (5)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. H	Fire							
	Extended coverage							
	Tornado, wind, cyclone, hail (excluding growing							
	crops)							
	Explosion, riot, civil commotion							
	Earthquake							
	Inland Marine							
	Auto property damage							
	Auto collision							
	Auto fire							
	Auto theft							
11. <i>F</i>	Auto comprehensive							
(Other (specify)							
10								
10								
14								
	Fotals				a.		b.	

a. To agree with the amount on Line 17, Section I

b. To agree with amount on Line 35, Section II

*Include the liability for the incurred but not reported losses

Enter here total amount incurred but not reported losses included on Line 15, Column 6 above.

\$_____

SECTION VII

Showing all banks, trusts companies, and savings and loan associations in which balances were maintained by the Company at any time during the year and the balances, if any, on December 31, of the current year Identify account as to type, e.g., money market, checking, passbook, etc. (including all types of certificates of deposit).

		(1)		(2)
		Interest Rec	eived	Balance
Depository		During Ye		Dec. 31, Current Year
(Give full name and location)				
	0			
	OTALS			
Totals of Balances on the Last Day of Each M	lonth Du	ring the Curren	t Year	1
Jan Apr July			Oct	
Feb May Aug			Nov	
Mar June Sept			Dec	

SECTION VIII RISKS AND PREMIUMS

		RISK	S AND PREM	IIUMS				
		Insurance in Force			Total As	sessments or		
				To	tal*	Premiums in Force		
		Fire	Other	Urban	Rural	Fire	Other	
		(1)	(2)	(3)	(4)	(5)	(6)	
1.	In Force At the End of the Previous Year,							
	as per Line 5 in Last Year's Statement							
2.	Written or Renewed During the Year, per Section V, Column 1, Line 15							
3	Subtotal							
4.	Deduct Those Expired and Marked Off as Terminated							
5.	In Force At the End of the Year							
6.	Deduct Amount Reinsured							
7.	Net Amount In Force							

*The total of Columns 1 and 2 should equal to the total of Columns 3 and 4

SECTION IX REINSURANCE SCHEDULE (A)

REINSURANCE CEDED

	(1)	(2)	(3)	(4)	(5)
			Total Reserves	Total	Largest Risk
	NAME OF REINSURER(S)	LOCATION OF REINSURER	Reinsured	Premiums	Ceded
1.					
2.					
3.					
4					
5.					

(B)

		REINSURANCE ASSUM	1ED		
	(1)	(2)	(3)	(4)	(5)
			Total Reserves	Total	Largest
	NAME OF CEDANT	LOCATION OF CEDANT	Assumed	Premiums	Risk Assumed
1.					
2.					
3.					
4					
5.					

SECTION X

Show all SALARIES, COMPENSATIONS, COMMISSIONS, and ALLOWANCES paid in the current year to OFFICERS, DIRECTORS, MANAGERS, and EMPLOYEES. Include all items except reimbursements for actual travel expenses. Travel or car allowances, if paid, are to be included. Payments to agents who were not officers, directors, managers or employees during the year need not be reported unless such payments were in excess of \$1,000.00. Attach additional sheets if necessary.

	(1)	(2)	(3)	(4)	(5)	(6)
					How Paid	
					(Monthly,	
			NATURE OF	AMOUNT PAID	Quarterly,	BY WHOM
	TITLE	NAME OF PAYEE	PAYMENT	DURING YEAR	Annually, etc.)	AUTHORIZED
1.						
2.						
3.						
4						
5.						
6.						
7.						
8.						
9.						

SECTION XI - GENERAL INTERROGATORIES (Answer all questions and attach additional sheets if necessary) A. What is the largest fire risk written or assumed and retained? B. What is the largest automobile risk assumed and retained?

2.	Have the by-laws been amended during the current year?	Yes	No	_ If so, were such amendments
	filed with the Texas Department of Insurance? Yes	_ No	When?	

3. In what territory does the company operate? (Check one)

(1) County of its domicile only
 (2) County of its domicile and adjoining counties only
 (3) Statewide

4. Does the company write insurance on risks in states other than Texas? Yes _____ No _____

5. State number of members holding policies in the company:_____

6. What is the amount of policyholder's contingent liability as provided in the by-laws?_____ per \$100 in force.

7. Was an annual report of the company sent to each policyholder? Yes _____ No ____ If so, did such report agree with the annual statement filed with the Texas Department of Insurance? _____ Did such report show:

(a) the rate and total amount of assessments paid during this year?_____

(b) total operating expenses?_____

1.

(c) the names of claimants and amounts paid each for losses?____

8. State as of what date the company was last examined by the Texas Department of Insurance?

9. Does any person, firm, corporation or association have any claim, contingent or otherwise, against this company which is NOT reported as a liability on page 3 of this statement? Yes _____ No _____. If yes, give the amount, terms for payment, and reasons for each omission from the balance sheet.