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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2010 or fiscal plan year beginning <u>07/01/2010</u> and ending <u>06/30/2011</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                            |

|                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------|-------------------------------------------------------|--|---------------------------------------------------------------------|--|-------------------------------------------------------------|--|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                 | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>1a</b> Name of plan<br><u>INTEGRITY PENSION PLAN</u><br><br><br><b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><u>INTEGRITY MUTUAL INSURANCE COMPANY</u><br><br><u>P.O. BOX 539</u><br><u>APPLETON, WI 54912-0539</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>06/28/1950</u></td> </tr> <tr> <td colspan="2"><b>2b</b> Employer Identification Number (EIN)<br/><u>39-0367560</u></td> </tr> <tr> <td colspan="2"><b>2c</b> Sponsor's telephone number<br/><u>920-734-4511</u></td> </tr> <tr> <td colspan="2"><b>2d</b> Business code (see instructions)<br/><u>524290</u></td> </tr> </table> | <b>1b</b> Three-digit plan number (PN) ▶ | <u>001</u> | <b>1c</b> Effective date of plan<br><u>06/28/1950</u> |  | <b>2b</b> Employer Identification Number (EIN)<br><u>39-0367560</u> |  | <b>2c</b> Sponsor's telephone number<br><u>920-734-4511</u> |  | <b>2d</b> Business code (see instructions)<br><u>524290</u> |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                                                                                       | <u>001</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>06/28/1950</u>                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>39-0367560</u>                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>920-734-4511</u>                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>524290</u>                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 01/09/2012 | CINDY HEINDEL                                                |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)  
v.092307.1

|                                                                                                                                                                              |                                                                                                               |
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| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>INTEGRITY MUTUAL INSURANCE COMPANY<br><br>P.O. BOX 539<br>APPLETON, WI 54912-0539 | <b>3b</b> Administrator's EIN<br>39-0367560<br><br><b>3c</b> Administrator's telephone number<br>920-734-4511 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

  

|                                                                                                                                                                                                                       |                                   |
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| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|

  

|                                                                         |          |     |
|-------------------------------------------------------------------------|----------|-----|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 170 |
|-------------------------------------------------------------------------|----------|-----|

  

|                                                                                                                                                        |           |     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |     |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 72  |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 39  |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 51  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 162 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | 3   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 165 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> |     |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 5   |

  

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

  

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 1A 1G

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

  

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

|                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
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| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>INTEGRITY PENSION PLAN</u>                                                                                    | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>INTEGRITY MUTUAL INSURANCE COMPANY</u>                     | <b>D</b> Employer Identification Number (EIN)<br><u>39-0367560</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |

|                                                                                                                                                                                                       |                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                         | <b>Basic Information</b>                      |
| <b>1</b> Enter the valuation date: Month <u>07</u> Day <u>01</u> Year <u>2010</u>                                                                                                                     |                                               |
| <b>2</b> Assets:                                                                                                                                                                                      |                                               |
| <b>a</b> Market value .....                                                                                                                                                                           | <b>2a</b> <u>7455827</u>                      |
| <b>b</b> Actuarial value .....                                                                                                                                                                        | <b>2b</b> <u>7655900</u>                      |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                   |                                               |
|                                                                                                                                                                                                       | (1) Number of participants (2) Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                           | <b>3a</b> <u>41</u> <u>3678501</u>            |
| <b>b</b> For terminated vested participants .....                                                                                                                                                     | <b>3b</b> <u>39</u> <u>1219831</u>            |
| <b>c</b> For active participants:                                                                                                                                                                     |                                               |
| (1) Non-vested benefits .....                                                                                                                                                                         | <b>3c(1)</b> <u>241879</u>                    |
| (2) Vested benefits .....                                                                                                                                                                             | <b>3c(2)</b> <u>2832657</u>                   |
| (3) Total active .....                                                                                                                                                                                | <b>3c(3)</b> <u>91</u> <u>3074536</u>         |
| <b>d</b> Total .....                                                                                                                                                                                  | <b>3d</b> <u>171</u> <u>7972868</u>           |
| <b>4</b> If the plan is at-risk, check the box and complete items (a) and (b) .....                                                                                                                   | <input type="checkbox"/>                      |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                             | <b>4a</b>                                     |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                                     |
| <b>5</b> Effective interest rate .....                                                                                                                                                                | <b>5</b> <u>6.47</u> %                        |
| <b>6</b> Target normal cost .....                                                                                                                                                                     | <b>6</b> <u>306170</u>                        |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                                                 |                                        |
|---------------------------------------------------------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                                | <u>11/16/2011</u>                      |
| Signature of actuary                                                            | Date                                   |
| <u>SONDRA L. HEETER</u>                                                         | <u>11-00997</u>                        |
| Type or print name of actuary                                                   | Most recent enrollment number          |
| <u>MCCREADY &amp; KEENE, INC.</u>                                               | <u>317-849-4333</u>                    |
| Firm name                                                                       | Telephone number (including area code) |
| <u>7941 CASTLEWAY DR., P.O. BOX 50460</u><br><u>INDIANAPOLIS, IN 46250-0460</u> |                                        |
| Address of the firm                                                             |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2010**  
**v.092308.1**

| <b>Part II</b> |                                                                                                 | <b>Beginning of year carryover and prefunding balances</b> |                        |
|----------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------|
|                |                                                                                                 | (a) Carryover balance                                      | (b) Prefunding balance |
| <b>7</b>       | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 34035                                                      | 255310                 |
| <b>8</b>       | Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 0                                                          | 0                      |
| <b>9</b>       | Amount remaining (Item 7 minus item 8).....                                                     | 34035                                                      | 255310                 |
| <b>10</b>      | Interest on item 9 using prior year's actual return of <u>13.89</u> % .....                     | 4727                                                       | 35463                  |
| <b>11</b>      | Prior year's excess contributions to be added to prefunding balance:                            |                                                            |                        |
| <b>a</b>       | Excess contributions (Item 38 from prior year) .....                                            |                                                            | 379479                 |
| <b>b</b>       | Interest on (a) using prior year's effective rate of <u>7.60</u> % .....                        |                                                            | 28840                  |
| <b>c</b>       | Total available at beginning of current plan year to add to prefunding balance .....            |                                                            | 408319                 |
| <b>d</b>       | Portion of (c) to be added to prefunding balance.....                                           |                                                            | 408319                 |
| <b>12</b>      | Reduction in balances due to elections or deemed elections.....                                 |                                                            |                        |
| <b>13</b>      | Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....               | 38762                                                      | 699092                 |

| <b>Part III</b> |                                                                                                                                                                 | <b>Funding percentages</b> |          |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------|
| <b>14</b>       | Funding target attainment percentage.....                                                                                                                       | <b>14</b>                  | 86.76 %  |
| <b>15</b>       | Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b>                  | 96.02 %  |
| <b>16</b>       | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b>                  | 104.57 % |
| <b>17</b>       | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b>                  | %        |

| <b>Part IV</b>                                                                           |                                   | <b>Contributions and liquidity shortfalls</b> |                     |
|------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------|---------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                               |                     |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees               |                     |
| 07/14/2011                                                                               | 476326                            |                                               |                     |
|                                                                                          |                                   |                                               |                     |
|                                                                                          |                                   |                                               |                     |
|                                                                                          |                                   |                                               |                     |
|                                                                                          |                                   |                                               |                     |
|                                                                                          |                                   |                                               |                     |
|                                                                                          |                                   | <b>Totals ▶</b>                               | <b>18(b)</b> 476326 |
|                                                                                          |                                   |                                               | <b>18(c)</b> 0      |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                 |            |        |
|-----------------------------------------------------------------------------------------------------------------|------------|--------|
| a Contributions allocated toward unpaid minimum required contribution from prior years.....                     | <b>19a</b> |        |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                     | <b>19b</b> |        |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 446383 |

**20** Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ..... ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of Quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
|                                                            |         |         |         |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.05 % | 2nd segment:<br>6.47 % | 3rd segment:<br>6.65 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        |                        | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 65                                        |
| <b>23</b> Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....                   | <b>27</b>                                                           |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                            | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)..... | <b>29</b> |   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions).....                                                                                                        | <b>31</b>           | 306170             |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           | 0                  |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....                                                   | <b>34</b>           | 306170             |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          | 0                   | 0                  |
| <b>36</b> Additional cash requirement (item 34 minus item 35).....                                                                                                                   | <b>36</b>           | 306170             |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....                                                   | <b>37</b>           | 446383             |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions).....                                                                                            | <b>38</b>           | 140213             |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....                                                                       | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      | <b>2010</b>                                   |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      | <b>This Form is Open to Public Inspection</b> |

|                                                                                                            |                                                                    |            |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| For calendar plan year 2010 or fiscal plan year beginning <b>07/01/2010</b> and ending <b>06/30/2011</b>   |                                                                    |            |
| <b>A</b> Name of plan<br><b>INTEGRITY PENSION PLAN</b>                                                     | <b>B</b> Three-digit plan number (PN) ►                            | <b>001</b> |
|                                                                                                            |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>INTEGRITY MUTUAL INSURANCE COMPANY</b> | <b>D</b> Employer Identification Number (EIN)<br><b>39-0367560</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | 160615                | 476326          |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    | 16713                 | 18366           |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    | 326883                | 85391           |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 6957749               | 8514923         |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 7461960               | 9095006         |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |         |         |
|-----------------------------------------------------------|-----------|---------|---------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 7461960 | 9095006 |
|-----------------------------------------------------------|-----------|---------|---------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income****a Contributions:**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 476326     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 476326    |

**b Earnings on investments:****(1) Interest:**

|                                                                                                      |                 |  |   |
|------------------------------------------------------------------------------------------------------|-----------------|--|---|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> |  |   |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |  |   |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |  |   |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |  |   |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> |  |   |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |  |   |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |  | 0 |

|                                                                                           |                 |  |   |
|-------------------------------------------------------------------------------------------|-----------------|--|---|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |  |   |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> |  |   |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> |  |   |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |  | 0 |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |  |   |
|-------------------------------------------------------------------------------------------|-----------------|--|---|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> |  |   |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> |  |   |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |  | 0 |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 1507693   |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 1984019   |

**Expenses**

|                                                                                            |              |        |        |
|--------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 350973 |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 350973 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |        |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |        |        |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |        |        |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |        |
| (4) Other .....                                                                            | <b>2i(4)</b> |        |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 0      |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 350973 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 1633046 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WIPFLI, LLP

(2) EIN: 39-0758449

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |         |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |         |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |         |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |         |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |         |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |         |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    | X   |    |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     |    |         |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     |    |         |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

| 5b(2) EIN(s) | 5b(3) PN(s) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>► <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

|                                                                                                            |                                                                    |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>INTEGRITY PENSION PLAN</u>                                                     | <b>B</b> Three-digit plan number (PN) ►<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>INTEGRITY MUTUAL INSURANCE COMPANY</u> | <b>D</b> Employer Identification Number (EIN)<br><u>39-0367560</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>13-3795042</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>0</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                                         |                                        |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                                         |                                        |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                                         |                                        |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                                                                                                                                 | <b>6a</b>                               |                                        |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                               |                                        |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                                                                                                                             | <b>6c</b>                               |                                        |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                                         |                                        |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes            | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                                     | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

# **Integrity Pension Plan**

Appleton, Wisconsin

## **Financial Statements and Supplemental Schedules**

Years Ended June 30, 2011 and 2010

# Integrity Pension Plan

## Financial Statements and Supplemental Schedules

Years Ended June 30, 2011 and 2010

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## Independent Auditor's Report

Audit Committee and Board of Directors  
Integrity Pension Plan  
Appleton, Wisconsin

We were engaged to audit the accompanying statements of net assets available for benefits of Integrity Pension Plan as of June 30, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules of (1) Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of June 30, 2011, and (2) Schedule H, Line 4j - Schedule of Reportable Transactions for the year ended June 30, 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by JP Morgan Chase Trust Company, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended June 30, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Wipfli LLP*

Wipfli LLP

November 3, 2011  
2901 East Enterprise Avenue, Suite 500  
Appleton, Wisconsin 54913

# Integrity Pension Plan

## Statements of Net Assets Available for Benefits

June 30, 2011 and 2010

|                                   | 2011        | 2010        |
|-----------------------------------|-------------|-------------|
| <i>Assets</i>                     |             |             |
| Investments, at fair value:       |             |             |
| Money market fund                 | \$85,391    | \$326,883   |
| Mutual funds                      | 8,514,923   | 6,957,749   |
| Total investments, at fair value  | 8,600,314   | 7,284,632   |
| Receivables:                      |             |             |
| Interest and dividends            | 18,366      | 16,713      |
| Employer contributions            | 476,326     | 160,615     |
| Total receivables                 | 494,692     | 177,328     |
| Net assets available for benefits | \$9,095,006 | \$7,461,960 |

# Integrity Pension Plan

## Statements of Changes in Net Assets Available for Benefits

Years Ended June 30, 2011 and 2010

|                                                        | 2011        | 2010        |
|--------------------------------------------------------|-------------|-------------|
| Investment income:                                     |             |             |
| Net appreciation in fair value of investments          | \$1,335,147 | \$700,502   |
| Interest and dividends                                 | 172,546     | 182,074     |
| Total investment income                                | 1,507,693   | 882,576     |
| Employer contributions                                 | 476,326     | 414,350     |
| Deductions - Benefits paid to participants             | 350,973     | 332,647     |
| Net increase in net assets available for benefits      | 1,633,046   | 964,279     |
| Net assets available for benefits at beginning of year | 7,461,960   | 6,497,681   |
| Net assets available for benefits at end of year       | \$9,095,006 | \$7,461,960 |

# Integrity Pension Plan

## Notes to Financial Statements

---

### Note 1      Plan Description

The following description of Integrity Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

#### General

The Plan is a defined benefit pension plan covering substantially all employees of Integrity Mutual Insurance Company (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

#### Participation

Employees hired prior to June 30, 2008, became eligible to participate in the Plan on January 1 or July 1, following completion of one year of service, with at least 1,000 hours, and attainment of age 21.

Effective June 30, 2008, the Plan froze participation to new participants and rehires. There will be no change in plan provisions or eligible benefits for employees hired on or before June 30, 2008.

#### Retirement Benefits

Employees are entitled to normal monthly pension benefits beginning at normal retirement age (65) equal to 1.25% of their monthly plan compensation multiplied by their years of service. The Plan also permits early retirement at ages 55 to 64 with monthly pension benefits beginning at normal retirement age. Employees may elect to have their benefits begin prior to normal retirement age in a reduced monthly amount in accordance with the provisions of the Plan. Employees may also elect to receive their benefits in actuarial equivalent methods of payment as defined by the Plan. Employees may elect to receive their pension benefits in the form of a life annuity or a joint and survivor annuity. If employees terminate prior to retirement, before rendering five years of service, they forfeit the right to receive their accumulated plan benefits. If the present value of vested benefits is \$1,000 or less, benefits will automatically be paid in a single lump sum.

# Integrity Pension Plan

## Notes to Financial Statements

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### Note 1      Plan Description (Continued)

#### Contributions

Integrity Mutual Insurance Company contributes amounts as necessary, up to the maximum amount allowed under the Internal Revenue Code (IRC), on an actuarial basis to provide the Plan with assets sufficient to meet the benefits to be paid to the Plan's participants. The minimum contribution under ERISA was \$476,326 and \$0 in 2011 and 2010, respectively. The Company made contributions of \$476,326 and \$414,350 for the years ended June 30, 2011 and 2010, respectively.

#### Vesting

Benefits under the provisions of the Plan become fully vested at the time the participant has completed five years of credited service. An active participant who reaches normal retirement age becomes fully vested whether or not he or she has completed five years of service.

#### Death Benefits

If an employee dies after completing at least five years of vesting service or satisfying any of the retirement requirements, a death benefit in the form of a survivor annuity is paid to the employee's beneficiary.

# Integrity Pension Plan

## Notes to Financial Statements

---

### Note 2      Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

#### Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

# Integrity Pension Plan

## Notes to Financial Statements

---

### Note 2      Summary of Significant Accounting Policies (Continued)

#### Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future benefit payments attributable under the Plan's provisions for service that employees have rendered. Accumulated plan benefits are expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on a percentage of monthly compensation multiplied by their years of service. Benefits are reduced for early or disability retirement. Benefits payable under all circumstances are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from McCready and Keene, Inc. and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected payment dates.

The significant actuarial assumptions used in the valuation as of July 1 were as follows:

1. Mortality rates are based upon the IRS Current Liability Optional Combined Mortality Table for Small Plans.
2. The annual interest rate used in determining the present value of accumulated plan benefits was 6.47% in 2011 and 7.60% in 2010.
3. Retirement age equals the later of 65 or 5 years of plan participation.
4. Annual salary increases of 6.0% were used in the calculations.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

# Integrity Pension Plan

## Notes to Financial Statements

---

### Note 2      Summary of Significant Accounting Policies (Continued)

#### Payment of Benefits

Distributions to plan participants or their beneficiaries are recorded upon distribution.

#### Expenses of the Plan

All administrative expenses incurred by the Plan are paid directly by the Company and are not reflected within these financial statements.

#### Subsequent Events

Subsequent events have been evaluated through November 3, 2011, which is the date the financial statements were available to be issued.

### Note 3      Investments

The Plan's investments are held in a bank-administered trust fund. The following is a schedule of investments that individually represent 5% or more of the Plan's net assets at June 30:

|                                            | 2011                |                          | 2010                |                          |
|--------------------------------------------|---------------------|--------------------------|---------------------|--------------------------|
|                                            | Asset Fair<br>Value | Percent of<br>Net Assets | Asset Fair<br>Value | Percent of<br>Net Assets |
| JP Morgan Core Bond Fund                   | \$2,496,471         | 27.4                     | \$2,297,076         | 30.8                     |
| JP Morgan Equity Index Fund                | 854,922             | 9.4                      | 680,813             | 9.1                      |
| JP Morgan Intrepid America Fund            | 1,551,595           | 17.1                     | 1,350,821           | 18.1                     |
| JP Morgan Market Expansion Index           | 684,716             | 7.5                      | 534,941             | 7.2                      |
| JP Morgan U.S. Large Cap Core<br>Plus Fund | 1,465,378           | 16.1                     | 1,023,009           | 13.7                     |

During the years ended June 30, 2011 and 2010, the Plan's mutual fund investments (including investments bought or sold during the year, as well as those held at year-end) appreciated in fair value by \$1,335,147 and \$700,502, respectively.

# Integrity Pension Plan

## Notes to Financial Statements

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### Note 4 Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the accounting guidance are described as follows:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

# Integrity Pension Plan

## Notes to Financial Statements

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### Note 4 Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2011 and 2010.

*Money market fund:* Valued using \$1 for the net asset value (NAV). The NAV is a quoted price in an active market.

*Mutual funds:* Valued at the NAV provided by the administrator of the fund. The NAV is the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is the quoted price in an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Integrity Pension Plan

## Notes to Financial Statements

### Note 4 Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2011 and 2010:

|                            | Assets at Fair Value as of June 30, 2011 |         |         |             |
|----------------------------|------------------------------------------|---------|---------|-------------|
|                            | Level 1                                  | Level 2 | Level 3 | Total       |
| Money market fund          | \$85,391                                 | \$0     | \$0     | \$85,391    |
| Mutual funds:              |                                          |         |         |             |
| Bond funds                 | 2,837,527                                | 0       | 0       | 2,837,527   |
| Blended funds              | 5,162,336                                | 0       | 0       | 5,162,336   |
| Commodities fund           | 82,981                                   | 0       | 0       | 82,981      |
| Real estate fund           | 84,268                                   | 0       | 0       | 84,268      |
| Long-short funds           | 347,811                                  | 0       | 0       | 347,811     |
| Total mutual funds         | 8,514,923                                | 0       | 0       | 8,514,923   |
| Total assets at fair value | \$8,600,314                              | \$0     | \$0     | \$8,600,314 |

|                            | Assets at Fair Value as of June 30, 2010 |         |         |             |
|----------------------------|------------------------------------------|---------|---------|-------------|
|                            | Level 1                                  | Level 2 | Level 3 | Total       |
| Money market fund          | \$326,883                                | \$0     | \$0     | \$326,883   |
| Mutual funds:              |                                          |         |         |             |
| Bond funds                 | 2,517,416                                | 0       | 0       | 2,517,416   |
| Blended funds              | 4,084,390                                | 0       | 0       | 4,084,390   |
| Real estate fund           | 67,765                                   | 0       | 0       | 67,765      |
| Long-short fund            | 288,178                                  | 0       | 0       | 288,178     |
| Total mutual funds         | 6,957,749                                | 0       | 0       | 6,957,749   |
| Total assets at fair value | \$7,284,632                              | \$0     | \$0     | \$7,284,632 |

# Integrity Pension Plan

## Notes to Financial Statements

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### Note 5      Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and probability of payment between the valuation date and the expected date of payment. Accumulated plan benefits under the Plan as of July 1, 2010, are presented below:

Actuarial present value of accumulated plan benefits:

Vested benefits:

|                                                                   |                    |
|-------------------------------------------------------------------|--------------------|
| Participants currently receiving payments                         | \$3,678,501        |
| Other participants                                                | 4,052,488          |
| <u>Total vested benefits</u>                                      | <u>7,730,989</u>   |
| <u>Nonvested benefits</u>                                         | <u>241,879</u>     |
| <u>Total actuarial present value of accumulated plan benefits</u> | <u>\$7,972,868</u> |

The change in the actuarial present value of accumulated plan benefits is due to the following:

|                                                                             |                    |
|-----------------------------------------------------------------------------|--------------------|
| Actuarial present value of accumulated plan benefits at July 1, 2009        | \$6,590,526        |
| Interest                                                                    | 517,896            |
| Benefit payments                                                            | (332,647)          |
| Benefits accumulated and other                                              | 223,890            |
| Change in assumptions                                                       | 1,074,337          |
| Actuarial gain                                                              | (101,134)          |
| <u>Actuarial present value of accumulated plan benefits at July 1, 2010</u> | <u>\$7,972,868</u> |

In 2010, the actuarial assumption changes are due to utilizing the full yield curve applicable for 2010 for the assumption of interest rates in addition to changing the mortality table to the table required for 2010.

# Integrity Pension Plan

## Notes to Financial Statements

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### Note 6 Information Certified by Plan Trustee

The plan administrator has elected the method of annual reporting compliance by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The Plan's trustee, JP Morgan Chase Trust Company, N.A., has certified the following data included in the accompanying financial statements and supplemental schedules is complete and accurate:

- (a) Investments as shown in the statements of net assets available for benefits.
- (b) Net appreciation in fair value of investments and interest and dividends as shown in the statements of changes in net assets available for benefits.
- (c) Investment information as disclosed in Note 3; on Schedule H, Line 4i - Schedule of Assets (Held at End of Year); and on Schedule H, Line 4j - Schedule of Reportable Transactions.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

### Note 7 Priorities Upon Termination of the Plan

The Plan is intended to be permanent; however, in the event of termination, the Plan's assets are to be allocated, after appropriate allowance for all expenses of administration and liquidation, for the purpose of providing benefits for affected participants including their beneficiaries, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to any employee contributions, if applicable, taking into account those paid out before termination.

# Integrity Pension Plan

## Notes to Financial Statements

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### Note 7      Priorities Upon Termination of the Plan (Continued)

2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under the Plan's provisions in effect at any time during the five years preceding plan termination.
3. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency, up to the applicable limitations (discussed below).
4. All other vested benefits (that is, vested benefits not insured by the PBGC).
5. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefits under the Plan is guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees.

For plan terminations requiring distributions occurring during 2011 and 2010, that ceiling, which is adjusted periodically, was \$4,500 per month. The ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form other than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Receipt by participants of their benefits upon a plan termination will depend on the sufficiency of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

# Integrity Pension Plan

## Notes to Financial Statements

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### **Note 8            Party-in-Interest Transactions**

All transactions involving investments in shares of the money market fund and mutual funds, which are affiliated with the trustee, are considered party-in-interest transactions. These transactions are not, however, considered prohibited transactions under Section 408(b) of the ERISA regulations.

### **Note 9            Tax-Exempt Status of the Plan**

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated April 5, 2011, that the Plan is designed in accordance with applicable sections of the IRC. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

GAAP requires the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of June 30, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

### **Note 10          Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

# Integrity Pension Plan

## Notes to Financial Statements

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### **Note 10**      **Risks and Uncertainties** (Continued)

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

### **Note 11**      **Reclassifications**

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 classifications.

## Supplemental Schedules

# Integrity Pension Plan

Plan's EIN #39-0367560 Plan #001

## Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

June 30, 2011

| Identity of Issue,<br>Borrower, Lessor<br>or Similar Party | Description of Investment<br>Including Maturity Date, Rate of Interest,<br>Collateral, Par, or Maturity Value | Cost        | Current<br>Value |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------|------------------|
| Money market fund:                                         |                                                                                                               |             |                  |
| JP Morgan Chase Bank*                                      | 85,390.950 shares - Prime Money Market Fund                                                                   | \$85,391    | \$85,391         |
| Mutual funds:                                              |                                                                                                               |             |                  |
| JP Morgan Chase Bank*                                      | 215,957.701 shares - Core Bond Fund                                                                           | 2,360,703   | 2,496,471        |
| JP Morgan Chase Bank*                                      | 28,525.927 shares - Equity Index Fund                                                                         | 820,700     | 854,922          |
| JP Morgan Chase Bank*                                      | 31,126.672 shares - High Yield Bond Fund                                                                      | 241,129     | 254,928          |
| JP Morgan Chase Bank*                                      | 8,171.546 shares - Inflation Managed Bond<br>Fund                                                             | 85,054      | 86,128           |
| JP Morgan Chase Bank*                                      | 4,207.977 shares - Highbridge Dynamic<br>Commodities Fund                                                     | 74,200      | 82,981           |
| JP Morgan Chase Bank*                                      | 20,781.875 shares - International Equity Fund                                                                 | 373,101     | 299,467          |
| JP Morgan Chase Bank*                                      | 15,297.576 shares - International Equity Index<br>Fund                                                        | 273,077     | 306,258          |
| JP Morgan Chase Bank*                                      | 62,843.070 shares - Intrepid America Fund                                                                     | 1,505,888   | 1,551,595        |
| JP Morgan Chase Bank*                                      | 59,180.328 shares - Market Expansion Index<br>Fund                                                            | 567,036     | 684,716          |
| JP Morgan Chase Bank*                                      | 5,657.939 shares - Market Neutral Institutional<br>Class Fund                                                 | 87,447      | 86,510           |
| JP Morgan Chase Bank*                                      | 26,367.383 shares - Multi-Cap Market Neutral<br>Fund                                                          | 273,231     | 261,301          |
| JP Morgan Chase Bank*                                      | 68,252.369 shares - U.S. Large Cap Core Plus<br>Fund                                                          | 1,293,970   | 1,465,378        |
| JP Morgan Chase Bank*                                      | 4,989.203 shares - U.S. Real Estate Fund                                                                      | 65,192      | 84,268           |
| Total mutual funds                                         |                                                                                                               | 8,020,728   | 8,514,923        |
| Total assets (held at end of year)                         |                                                                                                               | \$8,106,119 | \$8,600,314      |

\*Party-in-interest

# Integrity Pension Plan

Plan's EIN #39-0367560 Plan #001

## Schedule H, Line 4j - Schedule of Reportable Transactions

Year Ended June 30, 2011

| Identity of Party<br>Involved | Description of<br>Asset | Purchase<br>Price | Selling<br>Price | Lease<br>Rental | Expense<br>Incurred<br>With<br>Transaction | Cost<br>of Asset | Current Value<br>of Asset on<br>Transaction<br>Date | Net Gain<br>or (Loss) |
|-------------------------------|-------------------------|-------------------|------------------|-----------------|--------------------------------------------|------------------|-----------------------------------------------------|-----------------------|
| JP Morgan Chase Bank*         | Prime Money Market Fund | \$513,448         | \$N/A            | \$N/A           | \$0                                        | \$513,448        | \$513,448                                           | \$0                   |
| JP Morgan Chase Bank*         | Prime Money Market Fund | N/A               | 754,941          | N/A             | 0                                          | 754,941          | 754,941                                             | 0                     |

\*Party-in-interest

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                                         |                                                                                                                                                                                                               |                                                                 |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----|
| <b>A</b> Name of plan<br><br>INTEGRITY PENSION PLAN                                                                                                     | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;"><b>B</b> Three-digit plan number (PN) ►</td> <td style="width:30%; text-align: center;">001</td> </tr> </table> | <b>B</b> Three-digit plan number (PN) ►                         | 001 |
| <b>B</b> Three-digit plan number (PN) ►                                                                                                                 | 001                                                                                                                                                                                                           |                                                                 |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br>INTEGRITY MUTUAL INSURANCE COMPANY                                      | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><b>D</b> Employer Identification Number (EIN)<br/><br/>39-0367560</td> </tr> </table>                                              | <b>D</b> Employer Identification Number (EIN)<br><br>39-0367560 |     |
| <b>D</b> Employer Identification Number (EIN)<br><br>39-0367560                                                                                         |                                                                                                                                                                                                               |                                                                 |     |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B               |                                                                                                                                                                                                               |                                                                 |     |
| <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |                                                                                                                                                                                                               |                                                                 |     |

**Part I Basic Information**

|          |                                                                                                                                                                                                      |                                                    |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| <b>1</b> | Enter the valuation date: Month <u>7</u> Day <u>1</u> Year <u>2010</u>                                                                                                                               |                                                    |
| <b>2</b> | Assets:                                                                                                                                                                                              |                                                    |
|          | <b>a</b> Market value.....                                                                                                                                                                           | <b>2a</b> 7,455,827                                |
|          | <b>b</b> Actuarial value.....                                                                                                                                                                        | <b>2b</b> 7,655,900                                |
| <b>3</b> | Funding target/participant count breakdown                                                                                                                                                           |                                                    |
|          |                                                                                                                                                                                                      | (1) Number of participants      (2) Funding Target |
|          | <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                           | <b>3a</b> 41 3,678,501                             |
|          | <b>b</b> For terminated vested participants.....                                                                                                                                                     | <b>3b</b> 39 1,219,831                             |
|          | <b>c</b> For active participants:                                                                                                                                                                    |                                                    |
|          | (1) Non-vested benefits.....                                                                                                                                                                         | <b>3c(1)</b> 241,879                               |
|          | (2) Vested benefits.....                                                                                                                                                                             | <b>3c(2)</b> 2,832,657                             |
|          | (3) Total active.....                                                                                                                                                                                | <b>3c(3)</b> 91 3,074,536                          |
|          | <b>d</b> Total.....                                                                                                                                                                                  | <b>3d</b> 171 7,972,868                            |
| <b>4</b> | If the plan is at-risk, check the box and complete items (a) and (b)..... <input type="checkbox"/>                                                                                                   |                                                    |
|          | <b>a</b> Funding target disregarding prescribed at-risk assumptions.....                                                                                                                             | <b>4a</b>                                          |
|          | <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor..... | <b>4b</b>                                          |
| <b>5</b> | Effective interest rate.....                                                                                                                                                                         | <b>5</b> 6.47 %                                    |
| <b>6</b> | Target normal cost.....                                                                                                                                                                              | <b>6</b> 306,170                                   |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                  |                                                                  |                                                                 |
|------------------|------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>SIGN HERE</b> | <br>Signature of actuary                                         | <u>11/16/2011</u><br>Date                                       |
|                  | <u>SONDRA L. HEETER</u><br>Type or print name of actuary         | <u>11-00997</u><br>Most recent enrollment number                |
|                  | <u>MCCREADY &amp; KEENE, INC.</u><br>Firm name                   | <u>(317) 849-4333</u><br>Telephone number (including area code) |
|                  | <u>7941 CASTLEWAY DR., P.O. BOX 50460</u><br>Address of the firm |                                                                 |
|                  | <u>INDIANAPOLIS IN 46250-0460</u><br>Address of the firm         |                                                                 |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**Part II Beginning of year carryover and prefunding balances**

|                                                                                                          | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 34,035                | 255,310                |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 0                     | 0                      |
| <b>9</b> Amount remaining (Item 7 minus item 8).....                                                     | 34,035                | 255,310                |
| <b>10</b> Interest on item 9 using prior year's actual return of <u>13.89</u> % .....                    | 4,727                 | 35,463                 |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                       |                        |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                       | 379,479                |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>7.60</u> % .....                        |                       | 28,840                 |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                       | 408,319                |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                           |                       | 408,319                |
| <b>12</b> Reduction in balances due to elections or deemed elections.....                                |                       |                        |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d - item 12) .....             | 38,762                | 699,092                |

**Part III Funding percentages**

|                                                                                                                                                                           |           |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| <b>14</b> Funding target attainment percentage.....                                                                                                                       | <b>14</b> | 86.76 %  |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b> | 96.02 %  |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b> | 104.57 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b> | %        |

**Part IV Contributions and liquidity shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 07/14/2011               | 476,326                           |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 476,326                           | <b>18(c)</b> 0                  |

**19** Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                        |            |         |
|------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years. ....                    | <b>19a</b> |         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                     | <b>19b</b> |         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 446,383 |

**20** Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ..... ☐ Yes ☒ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... ☐ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---------|---------|---------|---------|
|         |         |         |         |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.05 % | 2nd segment:<br>6.47 % | 3rd segment:<br>6.65 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        |                        | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 65                                        |
| <b>23</b> Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment. ....                  | <b>27</b>                                                           |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                      |           |   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                             | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) ..... | <b>29</b> |   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                    | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions) .....                                                                                                       | <b>31</b>           | 306,170            |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           | 0                  |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) .....                                                  | <b>34</b>           | 306,170            |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          | 0                   | 0                  |
| <b>36</b> Additional cash requirement (item 34 minus item 35) .....                                                                                                                  | <b>36</b>           | 306,170            |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) .....                                                  | <b>37</b>           | 446,383            |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions) .....                                                                                           | <b>38</b>           | 140,213            |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) .....                                                                      | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |

**SCHEDULE SB, LINE 19 - DISCOUNTED EMPLOYER CONTRIBUTIONS**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

|                                    |          |                        |          |
|------------------------------------|----------|------------------------|----------|
| Plan Year Beginning                | 7/1/2010 | Current Valuation Date | 7/1/2011 |
| Effective Interest Rate            | 6.47%    | Next Valuation Date    | 7/1/2012 |
| Interest Rate for Late Quarterlies | 11.47%   |                        |          |

| Contribution Classification | Schedule SB Line | Classified Amount | Date Made | Date Due  | Plan Year Beginning | Days Late | Discount to 7/1/2010 | Late Discount | Remaining Discount | Discounted Value |
|-----------------------------|------------------|-------------------|-----------|-----------|---------------------|-----------|----------------------|---------------|--------------------|------------------|
| 2                           | 19c              | 476,326           | 7/14/2011 | 3/15/2012 | 7/1/2010            | 0         | 378                  | 1.000000      | 0.937137           | 446,383          |

|                |                                                                                          |         |                  |    |         |
|----------------|------------------------------------------------------------------------------------------|---------|------------------|----|---------|
| Total          | \$                                                                                       | 476,326 |                  | \$ | 446,383 |
| Classification | Description                                                                              |         | Schedule SB Line |    |         |
| 1              | Quarterly contribution                                                                   |         | 19c              |    |         |
| 2              | Other contributions for minimum funding                                                  |         | 19c              |    |         |
| 3              | Contributions to avoid benefit restrictions (not included in prefunding balance)         |         | 19b              |    |         |
| 4              | Contributions to meet funding deficiency (minimum funding requirements from prior years) |         | 19a              |    |         |
| 5              | Contributions necessary to meet liquidity requirements                                   |         | 19c              |    |         |

**Schedule B, line 22 - Description of Weighted Average Retirement Age**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

| (a)                    | (b)             | (c)             |                 |
|------------------------|-----------------|-----------------|-----------------|
| Retirement Age         | Retirement Rate | Survival to Age | (a) x (b) x (c) |
| 65                     | 1.000           | 1.000           | 65.0            |
| AVERAGE RETIREMENT AGE |                 |                 | 65.0            |

**Schedule SB, line 25 – Change in Method**

|                     |                                      |
|---------------------|--------------------------------------|
| <b>Plan Name:</b>   | <b>Integrity Pension Plan</b>        |
| <b>EIN:</b>         | <b>39-0367560</b>                    |
| <b>Plan Number:</b> | <b>001</b>                           |
| <b>Plan Year:</b>   | <b>July 1, 2010 to June 30, 2011</b> |

The following changes were made to the Actuarial Cost Method for the 2010 plan year:

The basis for selecting the interest rates has been changed from the March, 2009 Yield Curve to the July, 2010 segment rates.  
The mortality table used was the 2010 Applicable Mortality Table (Combined).

IRS approval is automatically granted for these changes. The plan sponsor has also agreed to the changes as shown on Schedule R, line 8.

**Schedule SB Line 26 - Schedule of Active Participant Data**

**Plan Name: Integrity Pension Plan**

**EIN: 39-0367560      Plan Number: 001**

**ANALYSIS OF EMPLOYEES BY AGE AND SERVICE AS OF JULY 1, 2010**

| Attained<br>Age | YEARS OF CREDITED SERVICE |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|-----------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                 | Under 1                   | 1 to 4             | 5 to 9             | 10 to 14           | 15 to 19           | 20 to 24           | 25 to 29           | 30 to 34           | 35 to 39           | 40 & up            |
|                 | Avg.<br>No. Acben.        | Avg.<br>No. Acben. | Avg.<br>No. Acben. | Avg.<br>No. Acben. | Avg.<br>No. Acben. | Avg.<br>No. Acben. | Avg.<br>No. Acben. | Avg.<br>No. Acben. | Avg.<br>No. Acben. | Avg.<br>No. Acben. |
| Under 25        | 0                         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 25 to 29        | 0                         | 6                  | 4                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 30 to 34        | 0                         | 9                  | 3                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 35 to 39        | 0                         | 5                  | 7                  | 1                  | 1                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 40 to 44        | 0                         | 1                  | 1                  | 1                  | 3                  | 1                  | 0                  | 0                  | 0                  | 0                  |
| 45 to 49        | 0                         | 1                  | 4                  | 1                  | 0                  | 2                  | 0                  | 1                  | 0                  | 0                  |
| 50 to 54        | 0                         | 4                  | 6                  | 2                  | 2                  | 2                  | 2                  | 2                  | 0                  | 0                  |
| 55 to 59        | 0                         | 3                  | 4                  | 1                  | 0                  | 2                  | 1                  | 0                  | 1                  | 1                  |
| 60 to 64        | 0                         | 2                  | 1                  | 0                  | 1                  | 0                  | 1                  | 1                  | 0                  | 0                  |
| 65 to 69        | 0                         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 70 & up         | 0                         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |

For any cell that has 20 or more participants, the average compensation is also shown.

**Schedule SB, Part V - Statement Of Actuarial Assumptions / Methods**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

**ACTUARIAL METHODS**

|                        | PPA Funding                      | Suggested<br>Maximum<br>Contribution | FASB ASC                         |
|------------------------|----------------------------------|--------------------------------------|----------------------------------|
| ACTUARIAL COST METHOD  |                                  |                                      |                                  |
| ASSET VALUATION METHOD | Accrued Benefit<br>(Unit Credit) | Projected<br>Unit Credit             | Accrued Benefit<br>(Unit Credit) |
|                        | See Below                        | See Below                            | Market Value                     |

**Accrued Benefit (Unit Credit)**

The funding target is equal to the sum of the individual accrued liabilities for all participants. The individual's accrued liability is the present value of the benefit accrued in prior plan years. The target normal cost is the present value of benefits accruing in the plan year. Experience gains and losses are included in the calculation of the funding target and are amortized as part of the shortfall amortization.

**Projected Unit Credit**

Under this method, the actuarial accrued liability is calculated for each participant as the actuarial present value of the portion of the projected benefit earned to date calculated by applying the plan's benefit formula to service for all plan years before the current plan year and the average earnings projected to retirement or other termination date. The normal cost is the portion of the accrued liability allocated to the current plan year.

**Actuarial Value of Assets**

The Actuarial Value of Assets is a 24-month average determined in accordance with Notice 2009-22. Actuarial Value of Assets must fall within 90% to 110% of market value.

Assumed rate of return is the lesser of 7.00% or the segment rate specified in Notice 2009-22.

**Schedule SB, Part V - Statement Of Actuarial Assumptions / Methods**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

**ACTUARIAL ASSUMPTIONS**

FASB ASC, PPA Funding,  
and Maximum

|                                        |                                     |
|----------------------------------------|-------------------------------------|
| Segmented Interest Rates               |                                     |
| Segment 1 (0-5 years)                  | 4.05%                               |
| Segment 2 (5-20 years)                 | 6.47%                               |
| Segment 3 (20+ years)                  | 6.65%                               |
| Applicable Month                       | July                                |
| Effective Interest Rate                | 6.47%                               |
| Future Salary Increases                | 6.00%                               |
| Mortality                              | 2010 Applicable Table (combined)    |
| Disability                             | None Assumed                        |
| Termination                            | Sarason T-2                         |
| Retirement Age                         | *                                   |
| Percent Married                        | 80%                                 |
| Age Difference in Participant & Spouse | Males two years older than females  |
| Administrative Expense                 | Anticipated Administrative Expenses |

\* Later of Age 65 and 5 years of plan participation.

**Schedule SB, Part V - Summary of Plan Provisions**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

**SUMMARY OF PLAN PROVISIONS**

**EFFECTIVE DATE** July 1, 1950. Last amendment July 1, 2009.

**PARTICIPATION** One year of service and age 21 (Entry occurs on July 1 or January 1).  
Participation is frozen for new hires and rehires after June 30, 2008.

**ELIGIBILITY FOR BENEFITS:**

|                   |                                                                                                                                 |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Normal Retirement | Later of age 65 and 5 years of plan participation.                                                                              |
| Early Retirement  | Age 55 and 10 years of vesting service.                                                                                         |
| Late Retirement   | Subject to continued employment after normal retirement.                                                                        |
| Termination       | Five years of vesting service.                                                                                                  |
| Death Benefit     | Payable to a surviving spouse or other designated beneficiary upon death after eligible for retirement or termination benefits. |

**Schedule SB, Part V - Summary of Plan Provisions**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

**SUMMARY OF PLAN PROVISIONS**

-Continued-

**AMOUNT OF BENEFITS:**

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Normal Retirement Benefit | The standard retirement benefit is a monthly pension guaranteed for a period certain of 120 months and payable for life thereafter in an amount determined as follows:<br><br>1.25% of Monthly Plan Compensation multiplied by service at normal retirement date.                                                                                                                                              |
| Early Retirement Benefit  | The accrued retirement benefit as of the early retirement date shall be payable commencing at normal retirement. However, a participant may elect to have his benefit commence prior to normal retirement in a monthly amount reduced 5/12ths of 1% for each month prior to normal retirement age (or reduced 4/12ths of 1% for each month prior to normal retirement date if retirement occurs after age 62). |
| Late Retirement Benefit   | The greater of the accrued retirement benefit as of late retirement date or the actuarial equivalent of the accrued retirement benefit as of the date of adoption of the restatement of the plan shall be payable commencing at late retirement.                                                                                                                                                               |

**Schedule SB, Part V - Summary of Plan Provisions**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

**SUMMARY OF PLAN PROVISIONS**

-Continued-

**Termination Benefit**      The accrued retirement benefit as of the termination date, multiplied by the vested percentage, shall be payable at normal retirement date. The vested percentage is based on the following table:

| <u>Years of Service</u> | <u>Vested Percentage</u> |
|-------------------------|--------------------------|
| less than 5 years       | 0%                       |
| 5 or more years         | 100%                     |

Notwithstanding the foregoing, all participants who have not incurred a break in service as of June 30, 1985 shall be 100% vested in their Accrued Retirement Benefit determined as of June 30, 1985. Any additional benefits to which a participant may become entitled that accrue after June 30, 1985, shall be subject to the preceding vesting schedule.

**Schedule SB, Part V - Summary of Plan Provisions**

**Plan Name:** Integrity Pension Plan  
**EIN:** 39-0367560  
**Plan Number:** 001  
**Plan Year:** July 1, 2010 to June 30, 2011

**SUMMARY OF PLAN PROVISIONS**

-Continued-

**Death Benefit**

If a married participant dies while employed or after termination, the death benefit payable to a participant's surviving spouse or designated beneficiary is the benefit that would be payable if the participant had retired or terminated the day before his death with a joint and survivor option (with 50% continuing to his spouse) in effect.

If a married participant dies on or after his normal retirement date or actual retirement, but prior to the commencement of benefits, the benefit payable to his surviving spouse shall be the benefit that would be payable had he retired the day before his death with a joint and survivor option (with 100% continuation to his spouse) in effect.

**Optional Forms of Payment**

Single life annuity. Life annuity with 60, 120, 180, or 240 monthly payments guaranteed. 50%, 66 2/3%, or 100% Joint & Survivor benefit. Lump Sums less than \$10,000.

**Note:**

If information given in this Summary disagrees or appears to disagree with the provisions of the plan legal document, the provisions of the document prevail.

The required attachment is included as part of the Accountant's Opinion.

The required attachment is included as part of the Accountant's Opinion.