



PROPERTY AND CASUALTY COMPANIES —ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code	0207 (Current Period)	0207 (Prior Period)	NAIC Company Code	26123	Employer's ID Number	34-0359380
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States					
Incorporated/Organized	01/01/1906		Commenced Business	03/01/1906		
Statutory Home Office	1685 Cleveland Road (Street and Number)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)		Wooster, OH 44691-0036 (Area Code) (Telephone Number)	
Main Administrative Office	1685 Cleveland Road (Street and Number)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Mail Address	1685 Cleveland Road (Street and Number or P.O. Box)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)	
Primary Location of Books and Records	1685 Cleveland Road (Street and Number)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Lisa A Lee (Name)		330-262-9060-2453 (Area Code) (Telephone Number) (Extension)			
	Lisa_Lee@wrg-ins.com (E-Mail Address)		330-264-7822 (Fax Number)			

OFFICERS

Name	Title	Name	Title
JOHN P. MURPHY	PRESIDENT	JOHN P. MURPHY	SECRETARY
MICHAEL A. SHUTT	VP FINANCE/CFO/TREASURER		

OTHER OFFICERS

WILLIAM J. BLINCOE, VP UNDERWRITING AND
GREGORY J. OWEN, VP INFORMATION TECHNOLOGY MARKETING KEVIN W. DAY, EXECUTIVE VP CLAIMS

DIRECTORS OR TRUSTEES

ROBERT P. BOGNER KEVIN W. DAY # RONALD E. HOLTMAN JOHN P. MURPHY
C. MICHAEL REARDON EDDIE L. STEINER KENNETH L. VAGNINI

State of OHIO
County of WAYNE

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

**JOHN P. MUPRHY
PRESIDENT**

JOHN P. MURPHY
SECRETARY

MICHAEL A. SHUTT
VP FINANCE/CFO/TREASURER

Subscribed and sworn to before me this
11 day of MAY, 201

- a. Is this an original filing? Yes [X] No []

b. If no,

 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

MARY LOU HART, NOTARY PUBLIC
MARCH 08, 2015

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	102,080,451		102,080,451	103,620,376
2. Stocks:				
2.1 Preferred stocks	1,853,497		1,853,497	1,835,958
2.2 Common stocks	62,189,431	.268,119	.61,921,312	.60,411,417
3. Mortgage loans on real estate:				
3.1 First liens	0	.0	0	0
3.2 Other than first liens	0		0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances) .....	.6,179,440		.6,179,440	.6,242,106
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$ 15,296,157), cash equivalents (\$ 0) and short-term investments (\$ 2,783,097)		18,079,254	18,079,254	16,980,126
6. Contract loans (including \$ premium notes)	0		0	0
7. Derivatives	0		0	0
8. Other invested assets .....	.5,323,576		.5,323,576	.5,260,556
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets	0		0	0
11. Aggregate write-ins for invested assets	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	195,705,649	.268,119	195,437,530	194,350,539
13. Title plants less \$ charged off (for Title insurers only)	0		0	0
14. Investment income due and accrued	1,234,242		1,234,242	1,159,782
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	14,911,853	.35,564	.14,876,289	.14,317,498
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	0		0	0
15.3 Accrued retrospective premiums	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	608,093		608,093	.538,876
16.2 Funds held by or deposited with reinsured companies	0		0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.83,958		.83,958	.903,152
18.2 Net deferred tax asset	0		0	0
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software .....	.92,704		.92,704	.92,704
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	.657,419	.657,419	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	0
24. Health care (\$) and other amounts receivable	0		0	0
25. Aggregate write-ins for other than invested assets	0	.0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	213,293,918	961,102	212,332,816	211,362,551
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0		0	0
28. Total (Lines 26 and 27)	213,293,918	961,102	212,332,816	211,362,551
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0	0	0

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)	25,392,670	24,518,708
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	5,450,500	5,450,500
4. Commissions payable, contingent commissions and other similar charges	1,878,635	2,856,676
5. Other expenses (excluding taxes, licenses and fees)	2,180,533	3,874,280
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,288,757	1,093,370
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	1,264,453	546,351
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	38,711,497	38,574,174
10. Advance premium	875,250	552,336
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	190,208	330,328
13. Funds held by company under reinsurance treaties	973	1,067
14. Amounts withheld or retained by company for account of others	7,055,319	6,976,065
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	293,040	293,040
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	84,581,835	85,066,895
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	84,581,835	85,066,895
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	127,750,981	126,295,656
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	127,750,981	126,295,656
38. Totals (Page 2, Line 28, Col. 3)	212,332,816	211,362,551
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 18,903,672)	18,510,149	17,491,145	71,899,223
1.2 Assumed (written \$ 20,588,379)	20,461,404	19,350,813	79,709,901
1.3 Ceded (written \$ 17,984,392)	17,600,288	16,787,640	68,852,734
1.4 Net (written \$ 21,507,659)	21,371,265	20,054,318	82,756,390
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	10,037,631	9,065,610	41,722,515
2.2 Assumed	12,656,700	11,338,326	50,775,465
2.3 Ceded	9,564,938	9,049,924	42,300,949
2.4 Net	13,129,393	11,354,012	50,197,031
3. Loss adjustment expenses incurred	1,968,822	2,043,559	8,132,547
4. Other underwriting expenses incurred	7,830,081	7,290,968	30,466,590
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	22,928,296	20,688,539	88,796,168
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(1,557,031)	(634,221)	(6,039,778)
INVESTMENT INCOME			
9. Net investment income earned	1,217,885	1,202,046	4,738,022
10. Net realized capital gains (losses) less capital gains tax of \$ 125,205	243,045	200,359	1,012,793
11. Net investment gain (loss) (Lines 9 + 10)	1,460,930	1,402,405	5,750,815
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ (17,751))	(17,751)	(15,189)	(40,554)
13. Finance and service charges not included in premiums	343,185	332,078	1,344,602
14. Aggregate write-ins for miscellaneous income	107	(32,874)	(161,006)
15. Total other income (Lines 12 through 14)	325,541	284,015	1,143,042
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	229,440	1,052,199	854,079
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	229,440	1,052,199	854,079
19. Federal and foreign income taxes incurred	(19,657)	207,784	(457,141)
20. Net income (Line 18 minus Line 19)(to Line 22)	249,097	844,415	1,311,220
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	126,295,656	122,603,725	122,603,725
22. Net income (from Line 20)	249,097	844,415	1,311,220
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 657,894	1,277,089	714,309	2,410,821
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(60,208)	18,434	(118,133)
27. Change in nonadmitted assets	(10,653)	(67,113)	88,023
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,455,325	1,510,045	3,691,931
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	127,750,981	124,113,770	126,295,656
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Loss on sale of equipment	0	(33,068)	(137,637)
1402. Other income	107	194	(23,369)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	107	(32,874)	(161,006)
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	21,140,171	19,773,947	84,748,944
2. Net investment income.....	1,143,425	1,145,020	5,153,331
3. Miscellaneous income	325,541	284,015	1,143,038
4. Total (Lines 1 to 3).....	22,609,137	21,202,982	91,045,313
5. Benefit and loss related payments	12,324,648	10,896,919	50,722,725
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	12,188,114	10,664,989	37,715,785
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(713,646)	0	31,121
10. Total (Lines 5 through 9).....	23,799,116	21,561,908	88,469,631
11. Net cash from operations (Line 4 minus Line 10).....	(1,189,979)	(358,926)	2,575,682
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	5,170,916	3,794,412	16,225,454
12.2 Stocks.....	4,637,942	3,749,502	21,493,663
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	1
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	9,808,858	7,543,914	37,719,118
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	3,601,746	4,857,456	15,773,393
13.2 Stocks.....	3,978,912	6,189,981	25,435,885
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	43,053
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	109,937	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	7,580,658	11,157,374	41,252,331
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	2,228,200	(3,613,460)	(3,533,213)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	60,927	(240,714)	(59,124)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	60,927	(240,714)	(59,124)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,099,148	(4,213,100)	(1,016,655)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	16,980,126	17,996,781	17,996,781
19.2 End of period (Line 18 plus Line 19.1).....	18,079,274	13,783,681	16,980,126

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The accompanying financial statement of Lightning Rod Mutual Insurance Company (the company) has been prepared in conformity with accounting practices prescribed by the National Association of Insurance Commissioner's *Accounting Practices and Procedures* manual and the state of Ohio. All material transactions recorded by the company are in conformity with prescribed statutory accounting principles.
- B. The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- C. Accounting policy disclosure: Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable. In addition, the company uses the following accounting policies:
 1. Short-term investments are stated at cost.
 2. Bonds are stated at amortized cost (scientific amortization method); U.S. Treasury Inflation-Indexed bonds are stated at amortized cost adjusted for unrealized inflation factor gains.
 3. Common stocks are stated at market.
 4. Preferred stocks are stated at market.
 5. The company has no mortgage loans.
 6. The company has no loan-backed securities.
 7. Investments in subsidiaries are stated at statutory equity value in Schedule D; these assets are nonadmitted, page 2, column 2.
 8. The company has minor ownership interests in partnerships. The company carries these interests based on underlying GAAP equity of the investee.
 9. The company has no derivative instrument investments.
 10. The company does not utilize anticipated investment income in the premium deficiency calculation.
 11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
 12. The company did not change capitalization policy.
 13. The company has no pharmaceutical rebate receivables.

02. Accounting Changes and Corrections of Errors

The company had no accounting changes or error corrections in first quarter 2011 or 2010.

03. Business Combinations and Goodwill

The company has no goodwill from business combinations.

04. Discontinued Operations

The company has no discontinued operations.

05. Investments

The company has no mortgage loans, debt restructuring loans, reverse mortgages, loan-backed securities, or stock repurchase agreements. It is the policy of the company to adhere to the requirements of the Statements of Statutory Accounting Principles (SSAP No. 26, 30, 32, 43, 48, and INT 06-07) as they relate to the valuation of securities held and the determination of impairment in fair value considered to be other than temporary. No securities were impaired through March 2011 or in 2010. Fair values were determined from year-end market valuation. At March 2011 quarter end, the company's bond portfolio was 99.6% investment grade. At statement value, mortgage-backed securities comprised 5.9% of the total bond portfolio. All mortgage-backed securities were 100% backed by the U.S. government or government agencies and the company had no exposure to subprime mortgages.

06. Joint Ventures, Partnerships and Limited Liability Companies

The company has no investments in joint ventures, partnerships, or limited liability companies in excess of 10% of invested assets.

07. Investment Income

The company has no uncollectible accrued investment income.

08. Derivative Instruments

The company has no derivative instrument investments.

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

09. Income taxes

The company files an individual federal income tax return.

The provision for federal income taxes incurred is different from what would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	<u>March 2011</u>	<u>2010</u>
Pre-tax income	\$ 354,645	1,375,821
Tax-exempt interest	(265,610)	(1,062,438)
Dividends deduction	(210,528)	(841,391)
Unearned premium adjustment	27,500	589,919
Deductible capital losses on impaired assets	(84,648)	(395,650)
Other, net	359,414	(195,409)
Alternative minimum tax effect	<u>360,718</u>	<u>1,431,622</u>
 Taxable income	 <u>541,491</u>	 <u>902,474</u>
Tax	108,298	180,495
Prior year over or under accrual	(2,750)	(115,894)
Total Current Tax	<u>\$ 105,548</u>	<u>64,601</u>

No operating loss carryforwards exist. There would be available for recoupment, in the event of future loss, for income taxes incurred as follows: Current year: \$ 108,298 First preceding year: \$180,495
Second preceding year: \$0

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	<u>Period Ended</u>	
	<u>March 31,2011</u>	<u>December 2010</u>
Deferred tax assets:		
Unearned premium reserve	\$ 2,632,394	2,623,044
Deferred compensation	2,377,630	2,408,859
Loss reserve discount	565,085	565,085
Salvage and subrogation anticipated	850,935	850,935
Retiree health care and director retirement	379,198	388,746
Impaired asset losses	1,563,497	1,592,277
Other	<u>442,242</u>	<u>442,242</u>
Total admitted deferred tax assets	8,810,981	8,871,189
Deferred tax liabilities:		
Unrealized gains on investments	(9,413,046)	(8,755,152)
Other	<u>(662,389)</u>	<u>(662,389)</u>
Total gross deferred tax liabilities	(10,075,435)	(9,417,540)
Net deferred tax (liability)/asset	<u>(1,264,453)</u>	<u>(546,351)</u>
Surplus increase/(decrease)	<u>(718,102)</u>	<u>(1,360,072)</u>

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

The amount of adjusted gross deferred tax assets admitted under each component of SSAP No. 10R are as follows:

	<u>March 2011</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
Admitted under paragraph 10.a.	\$ -	-	-
Admitted under paragraph 10.b.	-	-	-
Admitted under paragraph 10.c.	7,247,485	1,563,497	8,810,981
Total admitted adjusted gross deferred tax assets	7,247,485	1,563,497	8,810,981
Total gross deferred tax liabilities	(662,389)	(9,413,046)	(10,075,435)
Net admitted deferred tax assets/(liabilities)	<u>\$ 6,585,096</u>	<u>(7,849,549)</u>	<u>(1,264,453)</u>

	<u>2010</u>		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
Admitted under paragraph 10.a.	\$ -	-	-
Admitted under paragraph 10.b.	-	-	-
Admitted under paragraph 10.c.	7,278,912	1,592,277	8,871,189
Total admitted adjusted gross deferred tax assets	7,278,912	1,592,277	8,871,189
Total gross deferred tax liabilities	(662,389)	(8,755,152)	(9,417,540)
Net admitted deferred tax assets/(liabilities)	<u>\$ 6,616,523</u>	<u>(7,162,875)</u>	<u>(546,351)</u>

The company did not elect to adopt the provisions of SSAP No. 10R "A Temporary Replacement of SSAP No. 10" that expanded admissibility of deferred tax assets pursuant to a paragraph .e. for March 31, 2011 and 2010. Admitted deferred tax assets were unaffected.

10. Information Concerning Parent, Subsidiaries and Affiliates

The company participates in a pooling agreement with Western Reserve Mutual Casualty Company, ("Western") and Sonnenberg Mutual Insurance Company, ("Sonnenberg") whereby net premiums, losses, underwriting expenses and related balance sheet amounts (except premiums receivable) are shared on a 55% / 40% / 5% basis, respectively. Lightning Rod assumes 100% of the business from Western and Sonnenberg and cedes 40% to Western and 5% to Sonnenberg.

The company owns fifty percent of Forward Agencies, Inc., an insurance agency, and fifty-five percent of Western Reserve Financial Corp., an inactive holding company. The company carries these stocks valued at an unaudited statutory basis as reported in Schedule D Part 2 Section 2 at \$230,786 and \$37,333 respectively. In accordance with SSAP 25, management elected to nonadmit these subsidiaries.

11. Debt

The company has no loans outstanding or surplus notes.

12. Retirement Plans, Deferred Compensation, and Other Postretirement Plans

Employee Retirement: The company has a 401(k) plan that is available to all employees on beginning of the following quarter after the completion of three months of continuous service. The company matches a portion of employee contributions and may make additional discretionary contributions. These costs were charged to the company's operations amounting to \$142 thousand and \$124 thousand in first quarter 2011 and 2010 respectively.

Deferred Compensation: The company has a non-qualified Voluntary Deferred Compensation plan for senior executive officers. The plan allows for deferral of annual base salaries, payouts under the annual incentive plan, and payouts under the "Performance Share Plan for Key Executives."

13. Capital and Surplus and Shareholders' and Policyholders' Dividend Restrictions.

The company is a mutual company, thus no stock or surplus dividends are applicable.

14. Contingencies

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

The company has no material contingent liabilities, has committed no reserves to cover any contingent liabilities, and has no pending legal proceedings beyond the ordinary course of business.

15. Leases

The company has no leases that would have a material financial effect.

16. Information about Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The company has no off-balance-sheet risk or credit risk exposure.

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

The company has no receivable transfer, financial asset servicing, or wash sale transactions.

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

The company has a fully insured accident and health plan.

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

The company has no managing general agents or third party administrators.

20. Fair Value Measurements

The company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820 (SFAS No. 157), *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Fair value measurements using

<u>Description</u>	<u>Period ended March 31, 2011</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant other unobservable inputs (Level 3)</u>
Assets at fair value:				
Preferred stock	1,853,497	1,853,497	-	-
Common Stock	61,921,312	61,921,312	-	-
Other invested assets	5,323,576	-	-	5,323,576
Total Assets at Fair Value	\$ 69,098,385	63,774,809	-	5,323,576

<u>Description</u>	<u>Year ended December 31, 2010</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Fair value measurements using</u>	
			<u>Significant other observable inputs (Level 2)</u>	<u>Significant other unobservable inputs (Level 3)</u>
Assets at fair value:				
Preferred stock	\$ 1,835,958	1,835,958	-	-
Common Stock	60,411,417	60,411,417	-	-
Other invested assets	5,260,556	-	-	5,260,556
Total Assets at Fair Value	\$ 67,507,931	62,247,375	-	5,260,556

Level 1 Financial Assets

These assets include actively-traded exchange-listed equity securities and some mutual funds. Unadjusted quoted prices for these securities are provided to the company by independent pricing services.

Level 2 Financial Assets

The company classified no assets in Level 2.

Level 3 Financial Assets

The company classifies certain newly issued, privately placed, complex or illiquid securities in Level 3. This amount represents an investment in a limited partnership interest and is valued using the equity method of accounting which approximates fair value. Increase in 2011 is due entirely to unrealized gains. In 2011, the company has had no transfers into or out of the Level 3 category and no transfers

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

between Levels 1 and 2.

21. Other Items

The company has no extraordinary items or unusual items.

22. Events Subsequent

There were no events occurring subsequent to the close of the books as of March 31, 2011 that would have a material effect on the financial condition of the company.

23. Reinsurance

There were no uncollectible reinsurance balances written off and no commutations of ceded reinsurance. The company has no retroactive reinsurance agreements. At year-end 2008, the company recognized a \$667 thousand provision for unauthorized reinsurance due to the Lehman Re bankruptcy for catastrophe losses recoverable net of reinstatement premiums. No changes occurred in 2010 or first quarter 2011.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The company has no retrospectively rated contracts or contracts subject to redetermination.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2010 were \$30.0 million. In calendar year 2011, \$7.2 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$19.7 million. Therefore, there has been a \$3.1 million favorable prior-year development from December 31, 2010 to March 31, 2011. The favorable development is generally the result of ongoing analysis of recent loss development trends, and from decreases in the estimates of loss and loss adjustment expenses for the following lines of business: private passenger auto liability, auto physical damage, homeowners/farmowners, commercial multi-peril, other liability, and special property. These decreases were offset, in part, by increases in commercial auto liability and workers compensation. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the company does not write this type of policy.

26. Intercompany Pooling Agreements

Lightning Rod, NAIC number 26123, 55%, Western Reserve, NAIC number 26131, 40%, and Sonnenberg, NAIC number 10271, 5%, participate in a pooling agreement for all lines of business. Lightning Rod is the lead company; no amounts were due to or from this company at March 31, 2011. All transactions and balances in the underwriting accounts of the companies are pooled except premiums in the course of collection.

27. Structured Settlements

The company has no structured settlements.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

1. Liability for premium deficiency reserves \$0
2. Date of evaluation of liability 12/31/2010
3. Anticipated investment income was not utilized in the calculation.

31. High Deductibles

The company has no reserve for high deductible credits.

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

The company does not discount any loss or adjustment expense reserves.

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes () No (X)
- B. Not applicable
- C. Not applicable
- D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (X) No ()

The company's exposure to environmental losses arises from the sale of general liability insurance.

The company tries to estimate the full impact of the environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience. The company's environmental related losses for each of the five most recent years were as follows after intercompany pooling:

1) Direct Basis:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves	\$ -	\$ -	\$ -	\$ 14	\$ 14
b. Incurred losses and loss adj. expenses	2	10	29	63	10
c. Calendar year pymts for losses and LAE	2	10	15	63	10
d. Ending reserves	\$ -	\$ -	\$ 14	\$ 14	\$ 14

2) Assumed Reinsurance:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves	\$ -	\$ -	\$ -	\$ -	\$ -
b. Incurred losses and loss adj. expenses	-	-	-	-	-
c. Calendar year pymts for losses and LAE	-	-	-	-	-
d. Ending reserves	\$ -	\$ -	\$ -	\$ -	\$ -

3) Net of Ceded Reinsurance:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
a. Beginning reserves	\$ -	\$ -	\$ -	\$ 14	\$ 14
b. Incurred losses and loss adj. expenses	2	10	29	63	10
c. Calendar year pymts for losses and LAE	2	10	15	63	10
d. Ending reserves	\$ -	\$ -	\$ 14	\$ 14	\$ 14

E. State the amount of ending reserves for Bulk + IBNR included in D (Loss & LAE):

- 1) Direct Basis: \$ -
- 2) Assumed Reinsurance Basis: \$ -
- 3) Net of Ceded Reinsurance Basis: \$ -

F. State the amount of ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):

- 1) Direct Basis: \$ -
- 2) Assumed Reinsurance Basis: \$ -
- 3) Net of Ceded Reinsurance Basis: \$ -

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

The company does not write crop insurance.

36. Financial Guaranty Insurance

The company does not write financial guaranty insurance.

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change:

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/16/2007

6.4 By what department or departments?
Ohio.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] NA []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information:
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**GENERAL INTERROGATORIES**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
-
- 9.2 Has the code of ethics for senior managers been amended?..... Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
-
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
-

FINANCIAL

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
-
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
13. Amount of real estate and mortgages held in short-term investments: \$

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$268,119	\$268,119
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$268,119	\$268,119
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

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

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**GENERAL INTERROGATORIES**

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
Merrill Lynch..... First Merit.....	Columbus, OH..... Wooster, OH.....

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

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

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?.....

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?.....

Yes [X] No []

- 17.2 If no, list exceptions:

.....

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

**PART 2
PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]

If yes, attach an explanation.

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

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

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

- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT			DISCOUNT TAKEN DURING PERIOD				
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....	0	0	0	0	0	0	0	0
		TOTAL								

5. Operating Percentages:

5.1 A&H loss percent..... %

5.2 A&H cost containment percent

5.3 A&H expense percent excluding cost containment expenses

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

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

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

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

Schedule F
NONE

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0
5. California	CA	N	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0
14. Illinois	IL	L	5,355,333	4,976,383	2,412,300	2,365,107	2,916,893
15. Indiana	IN	L	5,355,333	4,976,383	2,412,300	2,365,107	3,834,410
16. Iowa	IA	N	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0
36. Ohio	OH	L	13,548,339	12,839,971	7,006,236	5,880,199	12,525,919
37. Oklahoma	OK	N	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a)	4	18,903,672	17,816,354	9,418,536	8,245,306	15,442,812
DETAILS OF WRITE-INS							
5801.		XXX					
5802.		XXX					
5803.		XXX					
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	0	0	0	0	0

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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

NONE

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	.1,708	.0	.0	1.8
2. Allied lines	.1,789	.0	.0	0.0
3. Farmowners multiple peril	.3,520,301	.921,162	26.2	56.1
4. Homeowners multiple peril	.5,604,825	.4,271,751	76.2	54.6
5. Commercial multiple peril	1,697,086	.799,693	47.1	33.8
6. Mortgage guaranty	.0	.0	.0	0.0
8. Ocean marine	.0	.0	.0	0.0
9. Inland marine	150,576	(111)	(0.1)	(6.2)
10. Financial guaranty	.0	.0	.0	0.0
11.1 Medical professional liability - occurrence	.0	.0	.0	0.0
11.2 Medical professional liability – claims made	.0	.0	.0	0.0
12. Earthquake	.4,198	.0	.0	0.0
13. Group accident and health	.0	.0	.0	0.0
14. Credit accident and health	.0	.0	.0	0.0
15. Other accident and health	.0	.0	.0	0.0
16. Workers' compensation	.0	.0	.0	0.0
17.1 Other liability occurrence	104,586	.0	.0	14.9
17.2 Other liability – claims made	.0	.0	.0	0.0
17.3 Excess Workers' Compensation	.0	.0	.0	0.0
18.1 Products liability - occurrence	.8,355	.0	.0	40.6
18.2 Products liability – claims made	.0	.0	.0	0.0
19.1,19.2 Private passenger auto liability	.3,243,837	.2,175,089	67.1	59.7
19.3,19.4 Commercial auto liability	.728,639	.188,084	25.8	85.0
21. Auto physical damage	.3,366,848	.1,665,682	49.5	41.4
22. Aircraft (all perils)	.0	.0	.0	0.0
23. Fidelity	.0	.0	.0	0.0
24. Surety	.0	.0	.0	0.0
26. Burglary and theft	13,105	.7,165	54.7	170.4
27. Boiler and machinery	.64,296	9,116	14.2	13.3
28. Credit	.0	.0	.0	0.0
29. International	.0	.0	.0	0.0
30. Warranty	.0	.0	.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	.0	0.0	0.0
35. TOTALS	18,510,149	10,037,631	54.2	51.8
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page.	0	.0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	726	.726	.794
2. Allied lines	1,693	1,693	1,525
3. Farmowners multiple peril	3,620,816	3,620,816	3,418,008
4. Homeowners multiple peril	5,001,324	5,001,324	4,226,622
5. Commercial multiple peril	1,844,110	1,844,110	1,621,228
6. Mortgage guaranty	.0	.0	0
8. Ocean marine	.0	.0	0
9. Inland marine	184,587	184,587	157,531
10. Financial guaranty	.0	.0	0
11.1 Medical professional liability - occurrence	.0	.0	0
11.2 Medical professional liability – claims made	.0	.0	0
12. Earthquake	6,737	.6,737	.7,279
13. Group accident and health	.0	.0	0
14. Credit accident and health	.0	.0	0
15. Other accident and health	.0	.0	0
16. Workers' compensation	.0	.0	0
17.1 Other liability-occurrence	114,993	.114,993	111,101
17.2 Other liability – claims made	.0	.0	0
17.3 Excess Workers' Compensation	.0	.0	0
18.1 Products liability - occurrence	9,588	.9,588	8,405
18.2 Products liability – claims made	.0	.0	0
19.1,19.2 Private passenger auto liability	.3,505,896	3,505,896	3,696,545
19.3,19.4 Commercial auto liability	.894,401	.894,401	.693,720
21. Auto physical damage	.3,635,040	3,635,040	3,799,763
22. Aircraft (all perils)	.0	.0	0
23. Fidelity	.0	.0	0
24. Surety	.0	.0	0
26. Burglary and theft	15,371	15,371	16,154
27. Boiler and machinery	68,390	68,390	.57,679
28. Credit	.0	.0	0
29. International	.0	.0	0
30. Warranty	.0	.0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	.0	.0	0
35. TOTALS	18,903,672	18,903,672	17,816,354
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	.0	.0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	8 Q.S. Date IBNR Loss and LAE Reserves	9	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2008 + Prior	4,942	277	5,219	616	0	616	3,939	4	.98	4,041	(387)	(175)	(562)
2. 2009	5,938	287	6,225	986	8	994	4,466	10	.390	4,866	(486)	121	(365)
3. Subtotals 2009 + prior	10,880	564	11,444	1,602	8	1,610	8,405	14	.488	8,907	(873)	(54)	(927)
4. 2010	13,907	4,629	18,536	4,944	.661	5,605	8,487	282	.1,952	10,721	(476)	(1,734)	(2,210)
5. Subtotals 2010 + prior	24,787	5,193	29,980	6,546	.669	7,215	16,892	296	.2,440	19,628	(1,349)	(1,788)	(3,137)
6. 2011	XXX	XXX	XXX	XXX	7,010	7,010	XXX	3,894	.7,321	11,215	XXX	XXX	XXX
7. Totals	24,787	5,193	29,980	6,546	7,679	14,225	16,892	4,190	9,761	30,843	(1,349)	(1,788)	(3,137)
8. Prior Year-End Surplus As Regards Policy-holders		126,296									Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. (5.4)	2. (34.4)	3. (10.5)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (2.5)

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.

Bar Code:

1.  2 6 1 2 3 2 0 1 1 4 9 0 0 0 0 0 1
2.  2 6 1 2 3 2 0 1 1 4 5 5 0 0 0 0 0 1
3.  2 6 1 2 3 2 0 1 1 3 6 5 0 0 0 0 0 1
4.  2 6 1 2 3 2 0 1 1 5 0 5 0 0 0 0 0 1

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	.6,242,106	6,448,926
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	43,053
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation .....	.62,666	249,873
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	.6,179,440	6,242,106
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	.6,179,440	6,242,106

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	.5,260,556	4,842,922
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease) .....	.63,020	417,634
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	.5,323,576	.5,260,556
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	.5,323,576	.5,260,556

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	.166,135,870	.157,999,370
2. Cost of bonds and stocks acquired .....	.7,580,658	.41,209,278
3. Accrual of discount .....	.26,310	.100,204
4. Unrealized valuation increase (decrease) .....	.1,871,963	.3,235,125
5. Total gain (loss) on disposals .....	.368,249	.1,534,535
6. Deduct consideration for bonds and stocks disposed of .....	.9,808,858	.37,719,117
7. Deduct amortization of premium .....	.50,813	.223,526
8. Total foreign exchange change in book/adjusted carrying value .....	.0	.0
9. Deduct current year's other than temporary impairment recognized .....	.0	.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9) .....	.166,123,379	.166,135,870
11. Deduct total nonadmitted amounts .....	.268,119	.268,119
12. Statement value at end of current period (Line 10 minus Line 11) .....	.165,855,260	.165,867,751

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	103,446,055	10,269,447	12,251,530	5,958	101,469,930	0	0	103,446,055
2. Class 2 (a).....	3,024,731	0	0	(1,113)	3,023,618	0	0	3,024,731
3. Class 3 (a).....	370,000	0	0	0	370,000	0	0	370,000
4. Class 4 (a).....	0	0	0	0	0	0	0	0
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds.....	106,840,786	10,269,447	12,251,530	4,845	104,863,548	0	0	106,840,786
PREFERRED STOCK								
8. Class 1.....	1,505,358	0	0	13,459	1,518,817	0	0	1,505,358
9. Class 2.....	330,600	0	0	4,080	334,680	0	0	330,600
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	1,835,958	0	0	17,539	1,853,497	0	0	1,835,958
15. Total Bonds & Preferred Stock.....	108,676,744	10,269,447	12,251,530	22,384	106,717,045	0	0	108,676,744

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$0 ; NAIC 2 \$0 ; NAIC 3 \$0 ; NAIC 4 \$0 ; NAIC 5 \$0 ; NAIC 6 \$0

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE DA - PART 1

Short-Term Investments					
	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	2,783,097	XXX	2,783,097	826	0

SCHEDULE DA - VERIFICATION

Short-Term Investments		1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....		3,220,409	3,460,601
2. Cost of short-term investments acquired		6,667,702	28,800,705
3. Accrual of discount.....		0	0
4. Unrealized valuation increase (decrease).....		0	0
5. Total gain (loss) on disposals.....		0	0
6. Deduct consideration received on disposals.....		7,105,014	29,040,897
7. Deduct amortization of premium.....		0	0
8. Total foreign exchange change in book/adjusted carrying value.....		0	0
9. Deduct current year's other than temporary impairment recognized.....		0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		2,783,097	3,220,409
11. Deduct total nonadmitted amounts.....		0	0
12. Statement value at end of current period (Line 10 minus Line 11)		2,783,097	3,220,409

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator ^(a)
31416X-HY-9.....	FNMA Gtd Mtg Pool #AB2046.....		01/24/2011.....	First Empire Securities I.....		589,651	599,772	1,300	1FE
0599999 - Total - Bonds - U.S. Governments						589,651	599,772	1,300	XXX
075396-KU-4.....	Beavercreek OH.....		02/16/2011.....	Fifth Third Securities, I.....		225,990	200,000	0	1FE
945880-EK-4.....	Wayne County Ohio.....		03/02/2011.....	Fifth Third Securities, I.....		197,926	200,000	0	1FE
2499999 - Total - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						423,916	400,000	0	XXX
075887-AW-9.....	Becton Dickinson.....		03/04/2011.....	Robert W. Baird & Co. Inc.....		187,000	200,000	2,113	1FE
084664-BQ-3.....	Berkshire Hathaway Financial Corp.....		01/20/2011.....	First Empire Securities I.....		494,750	500,000	.826	1FE
191216-AR-1.....	Coca Cola Company.....		01/19/2011.....	Robert W. Baird & Co. Inc.....		469,660	500,000	3,019	1FE
38144L-AB-6.....	Goldman Sachs Group Inc.....		02/02/2011.....	Merrill Lynch.....		442,154	400,000	10,833	1FE
59217G-AD-1.....	Metropolitan Life Global NT 144A.....		03/07/2011.....	Robert W. Baird & Co. Inc.....		499,250	500,000	2,561	1FE
80105N-AG-0.....	Sanofi-Aventis.....	R	03/23/2011.....	Merrill Lynch.....		495,365	500,000	0	1FE
3899999 - Total - Bonds - Industrial, Misc.						2,588,179	2,600,000	19,352	XXX
8399997 - Total - Bonds - Part 3						3,601,746	3,599,772	20,651	XXX
8399999 - Total - Bonds						3,601,746	3,599,772	20,651	XXX
8999999 - Total - Preferred Stocks						0	XXX	0	XXX
.428236-10-3.....	Hewlett Packard Co.....		02/15/2011.....	Merrill Lynch.....	5,700,000	273,029		0	L
900202-00-3.....	Huntington Ingalls Industries Inc.....		03/31/2011.....	Stock Spin Off.....	1,000,000	24,945		0	L
67062E-10-3.....	Nuveen Investment Quality Muni Fd.....		01/27/2011.....	Merrill Lynch.....	5,220,000	68,808		0	L
9099999 - Total - Common Stocks - Industrial, Misc.						366,782	XXX	0	XXX
.00080Y-72-8.....	Aston/Lake Partners Lasso Alt.....		03/23/2011.....	Merrill Lynch.....	53,024,311	660,000		0	L
09253X-10-2.....	Blackrock Muni Intermediate Dur.....		01/19/2011.....	Merrill Lynch.....	5,280,000	68,889		0	L
277923-72-8.....	Eaton Vance Global Macro Fund.....	R	03/23/2011.....	Merrill Lynch.....	10,816,126	110,000		0	U
27829L-10-5.....	Eaton Vance Nat'l Muni OpprsTr.....		01/19/2011.....	Merrill Lynch.....	3,870,000	68,691		0	U
.577125-10-7.....	Matthews Asia Dividend Fund.....	R	03/23/2011.....	Merrill Lynch.....	3,956,835	.55,000		0	D
.67062N-10-3.....	Nuveen Insured Quality Muni Fd Inc.....		01/19/2011.....	Merrill Lynch.....	5,800,000	.68,751		0	L
.780905-60-0.....	Royce Premier Fund.....		01/31/2011.....	Merrill Lynch.....	2,682,927	.55,000		0	U
.464286-50-9.....	iShares MSCI Canada Index.....	I	01/28/2011.....	Merrill Lynch.....	8,860,000	.274,836		0	L
9299999 - Total - Common Stocks - Mutual Funds						1,361,167	XXX	0	XXX
.998911-UC-3.....	BBIF Money Fund Class 4.....		03/31/2011.....	Merrill Lynch.....	2,250,963,000	2,250,963		0	U
9399999 - Total - Common Stocks - Money Market Mutual Funds						2,250,963	XXX	0	XXX
9799997 - Total - Common Stocks - Part 3						3,978,912	XXX	0	XXX
9799999 - Total - Common Stocks						3,978,912	XXX	0	XXX
9899999 - Total - Preferred and Common Stocks						3,978,912	XXX	0	XXX
9999999 Totals						7,580,658	XXX	20,651	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues7

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.									
3128M1-LA-5..	FHLMC Gold Pool #G12221		03/15/2011..	PRINCIPAL RECEIPT.....		29,832	29,832	29,832	29,832	.0	.0	.0	.0	.0	29,832	.0	.0	.0	.0	.0	.263	06/01/2021..	1FE..
31335H-5P-4..	FHLMC (Gold) Pool #C90854		03/15/2011..	PRINCIPAL RECEIPT.....		29,987	29,987	30,086	30,086	.0	.0	(98)	.0	(98)	29,987	.0	.0	.0	.0	.0	.255	09/01/2024..	1FE..
31294K-NV-3..	FHLMC (Gold) Pool #E01304		03/15/2011..	PRINCIPAL RECEIPT.....		31,157	31,157	31,128	31,131	.0	.0	.26	.0	.26	31,157	.0	.0	.0	.0	.0	.218	01/01/2018..	1FE..
31294K-K5-3..	FHLMC (gold) Pool #E01216		03/15/2011..	PRINCIPAL RECEIPT.....		17,815	17,815	17,948	17,910	.0	.0	(96)	.0	(96)	17,815	.0	.0	.0	.0	.0	.160	10/01/2017..	1FE..
3128M1-BB-4..	FHLMC Gold Pool #G11934		03/15/2011..	PRINCIPAL RECEIPT.....		12,787	12,787	12,779	12,772	.0	.0	.15	.0	.15	12,787	.0	.0	.0	.0	.0	.116	04/01/2016..	1FE..
3128M1-PA-1..	FHLMC Gold Pool #G12317		03/15/2011..	PRINCIPAL RECEIPT.....		32,781	32,781	32,781	32,781	.0	.0	.0	.0	.0	32,781	.0	.0	.0	.0	.0	.287	08/01/2021..	1FE..
3128MB-3A-3..	FHLMC Pool #G13293..		03/15/2011..	PRINCIPAL RECEIPT.....		36,514	36,514	36,240	36,266	.0	.0	247	.0	247	36,514	.0	.0	.0	.0	.0	.279	12/01/2018..	1FE..
31402R-GM-5..	FNMA Pool #735604..		03/25/2011..	PRINCIPAL RECEIPT.....		32,707	32,707	32,809	32,788	.0	.0	(81)	.0	(81)	32,707	.0	.0	.0	.0	.0	.251	06/01/2020..	1FE..
31371L-JU-4..	#255075..		03/25/2011..	PRINCIPAL RECEIPT.....		31,631	31,631	31,621	31,615	.0	.0	.15	.0	.15	31,631	.0	.0	.0	.0	.0	.294	02/01/2024..	1FE..
31371L-XW-4..	FNMA Gtd Mtg Pool #25549..		03/25/2011..	PRINCIPAL RECEIPT.....		23,677	23,677	23,544	23,551	.0	.0	.126	.0	.126	23,677	.0	.0	.0	.0	.0	.204	10/01/2024..	1FE..
31371L-7J-2..	#255697..		03/25/2011..	PRINCIPAL RECEIPT.....		43,830	43,830	44,994	44,697	.0	.0	(867)	.0	(867)	43,830	.0	.0	.0	.0	.0	.312	04/01/2015..	1FE..
31402Y-NJ-9..	FNMA Gtd Mtg Pool #742093..		03/25/2011..	PRINCIPAL RECEIPT.....		33,288	33,288	32,394	32,496	.0	.0	792	.0	792	33,288	.0	.0	.0	.0	.0	.239	04/01/2019..	1FE..
31416X-HY-9..	#AB2046..		03/25/2011..	PRINCIPAL RECEIPT.....		7,340	7,340	7,216	7,216	.0	.0	124	.0	124	7,340	.0	.0	.0	.0	.0	.27	01/01/2026..	1FE..
31371K-VB-4..	FNMA Pool #254510..		03/25/2011..	PRINCIPAL RECEIPT.....		16,593	16,593	16,811	16,747	.0	.0	(153)	.0	(153)	16,593	.0	.0	.0	.0	.0	.134	11/01/2017..	1FE..
31371K-2X-8..	FNMA Pool #254690..		03/25/2011..	PRINCIPAL RECEIPT.....		22,078	22,078	21,927	21,937	.0	.0	141	.0	141	22,078	.0	.0	.0	.0	.0	.196	04/01/2023..	1FE..
31371L-DT-3..	FNMA Pool #254914..		03/25/2011..	PRINCIPAL RECEIPT.....		22,866	22,866	23,037	22,909	.0	.0	(44)	.0	(44)	22,866	.0	.0	.0	.0	.0	.166	09/01/2013..	1FE..
31371L-SL-4..	FNMA Pool #255323..		03/25/2011..	PRINCIPAL RECEIPT.....		24,183	24,183	24,493	24,305	.0	.0	(122)	.0	(122)	24,183	.0	.0	.0	.0	.0	.174	07/01/2014..	1FE..
31385W-SB-6..	FNMA Pool #55014..		03/25/2011..	PRINCIPAL RECEIPT.....		27,015	27,015	27,268	27,173	.0	.0	(159)	.0	(159)	27,015	.0	.0	.0	.0	.0	.247	11/01/2017..	1FE..
31385X-GK-7..	FNMA Pool #555602..		03/25/2011..	PRINCIPAL RECEIPT.....		29,312	29,312	29,092	29,125	.0	.0	187	.0	187	29,312	.0	.0	.0	.0	.0	.231	06/01/2018..	1FE..
36217A-HM-5..	GNMA P#187536..		03/15/2011..	PRINCIPAL RECEIPT.....		234	234	232	233	.0	.0	1	.0	1	234	.0	.0	.0	.0	.0	.4	02/15/2017..	1FE..
36295P-6H-0..	GNMA Pool #676872..		03/15/2011..	PRINCIPAL RECEIPT.....		65,732	65,732	66,308	66,246	.0	.0	(514)	.0	(514)	65,732	.0	.0	.0	.0	.0	.368	03/15/2023..	1FE..
880591-DN-9..	Tennessee Valley Auth..		01/18/2011..	MATURITY.....		500,000	500,000	484,381	499,898	.0	.0	102	.0	102	500,000	.0	.0	.0	.0	.0	14,063	01/18/2011..	1FE..
912827-6T-4..	U S Treasury Note..		02/15/2011..	MATURITY.....		1,200,000	1,200,000	1,243,937	1,200,984	.0	.0	(984)	.0	(984)	1,200,000	.0	.0	.0	.0	.0	.30,000	02/15/2011..	1..
912828-ES-5..	U S Treasury Note..		02/15/2011..	MATURITY.....		500,000	500,000	496,094	499,966	.0	.0	34	.0	34	500,000	.0	.0	.0	.0	.0	10,625	01/15/2011..	1..
0599999 - Bonds - U.S. Governments						2,771,359	2,771,359	2,796,951	2,765,449	0	(1,306)	0	(1,306)	0	2,771,359	0	0	0	0	0	59,111	XXX	XXX
026609-AM-9..	American Home Products Corp NT		03/15/2011..	MATURITY.....		500,000	500,000	538,000	503,797	.0	(3,797)	0	(3,797)	0	500,000	.0	.0	.0	.0	.0	.17,375	03/15/2011..	1FE..
17275R-AB-8..	Cisco Systems Inc General Elec Can Corp Tr		02/22/2011..	MATURITY.....		600,000	600,000	597,378	599,914	.0	.86	0	.86	0	600,000	.0	.0	.0	.0	.0	.15,750	02/22/2011..	1FE..
36962G-F9-0..	00624..		02/18/2011..	MATURITY.....		500,000	500,000	498,750	499,971	.0	.29	0	.29	0	500,000	.0	.0	.0	.0	.0	.1,433	02/18/2011..	1FE..
38141G-AZ-7..	Goldman Sachs Group Inc Vanguard S/T Bond Index		01/15/2011..	MATURITY.....		500,000	500,000	501,550	500,009	.0	(.9)	0	(.9)	0	500,000	.0	.0	.0	.0	.0	.17,188	01/15/2011..	1FE..
921937-20-7..	- Inv. Roche Hldgs Inc 144A..		03/21/2011..	CAPITAL GAIN.....		.545	.545	0	0	.0	0	0	0	0	.545	.0	.0	.0	.0	.0	.1	03/01/2014..	1FE..
771196-A0-5..	R..03/24/2011.. Called					299,012	272,000	277,168	275,389	.0	(231)	0	(231)	0	275,157	.0	0	23,855	23,855	0	.7,669	03/01/2014..	1FE..
3899999 - Bonds - Industrial and Miscellaneous						2,399,557	2,372,000	2,412,846	2,379,079	0	(3,922)	0	(3,922)	0	2,375,157	0	0	24,400	24,400	59,414	XXX	XXX	
8399997 - Bonds - Part 4						5,170,916	5,143,359	5,209,797	5,144,528	0	(5,228)	0	(5,228)	0	5,146,516	0	0	24,400	24,400	118,525	XXX	XXX	
8399999 - Total - Bonds						5,170,916	5,143,359	5,209,797	5,144,528	0	(5,228)	0	(5,228)	0	5,146,516	0	0	24,400	24,400	118,525	XXX	XXX	
8999999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
037411-10-5..	Apache Corp..		01/28/2011..	Merrill Lynch..		2,415,000	274,827	162,523	287,940	.0	(125,417)	0	(125,417)	0	162,523	.0	0	112,304	112,304	0	0	L..	
17273R-10-2..	Cisco Systems..		02/15/2011..	Merrill Lynch..		14,700,000	274,885	239,610	297,381	.0	(57,771)	0	(57,771)	0	239,610	.0	0	35,275	35,275	0	0	L..	
189054-10-9..	Clorox Co..		03/09/2011..	Merrill Lynch..		3,520,000	240,029	152,557	222,746	.0	(70,188)	0	(70,188)	0	152,557	.0	0	.87,472	.87,472	1,936	0	L..	
37733W-10-5..	Glaxo Smithkline..	R..01/31/2011..	Merrill Lynch..			7,600,000	275,799	301,533	298,072	.0	(3,461)	0	(3,461)	0</									

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1 CUSIP Identifi- cation	2 Description	3 For eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.							
						9,808,858	XXX	9,503,889	7,499,411	(371,063)	(5,228)	0	(376,291)	0	9,440,609	0	368,249	368,249	127,427	XXX	XXX
99999999	Totals																				

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues5 .

Schedule DB - Part A - Section 1
NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)
NONE

Schedule DB - Part B - Section 1
NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes
NONE

Schedule DB - Part D
NONE

Schedule DL - Part 1
NONE

Schedule DL - Part 2
NONE

STATEMENT AS OF MARCH 31, 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE E - PART 1 - CASH

Month End Depository Balances								9
1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Bank of America.....Chicago, IL.....			.1,356		.1,102,046	.1,102,467	.1,102,934	XXX
Fifth Third Bank.....Cincinnati, OH.....					3,246,455	0	0	XXX
First Merit Bank.....Akron, OH.....				(.7)		(.7)	(.7)	XXX
First Merit Bank.....Akron, OH.....			50		.103,349	.103,349	.103,381	XXX
First Merit Bank.....Akron, OH.....					.0	0	3,111	XXX
JP Morgan Chase.....New York, NY.....					10,973,766	.13,473,830	.13,986,878	XXX
Merrill Lynch.....Columbus, OH.....					24,841	(235,514)	(140)	XXX
PNC Bank.....Cleveland, OH.....		2.980	.331	.112	.100,000	.100,000	.100,000	
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Totals - Open Depositories	XXX	XXX	1,737	112	15,550,450	14,544,125	15,296,157	XXX
0399999 Total Cash on Deposit	XXX	XXX	1,737	112	15,550,450	14,544,125	15,296,157	XXX
0499999 Cash in Company's Office	XXX	XXX		XXX	0	0	0	XXX
0599999 Total	XXX	XXX	1,737	112	15,550,450	14,544,125	15,296,157	XXX

Schedule E - Part 2 - Cash Equivalents
NONE