

ANNUAL STATEMENT

For the Year Ended

December 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

WASHINGTON MUTUAL INSURANCE ASSOCIATION

ORGANIZED UNDER THE LAWS OF THE STATE OF OHIO

Made to the

INSURANCE COMMISSIONER OF THE STATE OF OHIO

Pursuant to the Laws thereof

JAM/ TLS
10255
4678 MPP

NAIC Company Code

10255

Home Office

3873 CLEVELAND ROAD

WOOSTER

44691

OH

Street and Number

City

Zip Code

Mail Address

3873 CLEVELAND ROAD

WOOSTER

44691

OH

Street and Number

City

Zip Code

Main Administrative Office

(330) 345-8100

Telephone Number

Organized

SEPTEMBER 18, 1878

Commenced Business

OCTOBER 22, 1878

Annual Statement Contact Person

TOD JAMES CARMONY

Telephone Number

(330) 345-8100

Contact Person Email Address

tod_carmony@wayneinsgroup.com

OFFICERS

President

TOD JAMES CARMONY

Vice President

DAVID EDWARD TSCHANTZ

Secretary

MORRIS STÜTZMAN

Treasurer

DAVID EDWARD TSCHANTZ

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

SCOTT LEE PREISING

TOD JAMES CARMONY

DAVID EDWARD TSCHANTZ

GREGORY TODD BUEHLER

ELIZABETH F MCCOY

DONALD A RAMSEYER

State of Ohio
County of
WAYNE

TOD JAMES CARMONY

President and

MORRIS STÜTZMAN

Secretary of the

WASHINGTON MUTUAL INSURANCE ASSOCIATION

above described officers of said reporting entity, and that on the reporting period stated above all 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, with the schedules and explanations herein contained, annexed or referred to, is a full and correct 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, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me, this 23rd

day of February 2012

**ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION**

2011

ASSETS

		Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds (Schedule D - Part 1)	991,071.70	0.00	991,071.70	398,000.00
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	6,740.28	129.33	6,610.95	5,475.21
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	0.00	
4	Cash (Schedule E)	516,596.75	0.00	516,596.75	575,996.07
5	Short-term investments		0.00	0.00	
6	Aggregate write-ins for invested assets		0.00	0.00	
7	Subtotals, cash and invested assets	1,514,408.73	129.33	1,514,279.40	979,471.28
8	Investment income due and accrued	9,555.00	0.00	9,555.00	2,164.03
9.1	Assessments or premiums in the course of collection (including agents balances)	489,474.58	0.00	489,474.58	589,643.69
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,233,448.28	0.00	1,233,448.28	1,231,208.11
9.3	Earned but unbilled premiums (post assessment)		0.00	0.00	
10.1	Amounts recoverable from reinsurers	44,481.09	0.00	44,481.09	22,273.70
10.2	Funds held by or deposited with reinsured companies		0.00	0.00	
11.1	Current federal income tax recoverable and interest thereon	6,400.00	0.00	6,400.00	26,028.00
11.2	Net deferred tax asset	116,811.00	66,444.00	50,367.00	55,914.00
12	Electronic data processing equipment and software	2,207.19	0.00	2,207.19	3,555.19
13	Furniture and equipment	13,950.28	13,950.28	0.00	
14	Receivables from parent, subsidiaries and affiliates		0.00	0.00	196,379.69
15	Aggregate write-ins for other than invested assets	37,043.86	37,043.86	0.00	0.00
16	Total Assets	3,467,780.01	117,567.47	3,350,212.54	3,106,637.69
	Details of Write-Ins for Assets:				
1501	AGENT LOAN	37,043.86	37,043.86	0.00	
1502				0.00	
1503				0.00	
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00	0.00
1599	Total aggregate write-ins	37,043.86	37,043.86	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION**

2011

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	0.00	
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents	271,396.87	287,123.14
4	Other expenses (excluding taxes, licenses and fees)	75,324.43	113,712.37
5	Taxes, licenses and fees (excluding federal income taxes)		
6	Current federal income taxes (including \$0, on realized capital gains (losses))		
7	Net deferred tax liability		
8	Borrowed money and interest thereon		
9	Unearned assessment/premium reserve		
10	Advance premium	45,087.80	49,651.76
11	Ceded reinsurance premiums payable	2,266,959.58	2,117,834.12
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others		
14	Provision for unauthorized reinsurance		
15	Payable to parent, subsidiaries and affiliates	153,747.36	
16	Aggregate write-ins for liabilities	0.00	0.00
17	Total liabilities	2,812,516.04	2,568,321.39
18	Surplus as regards policyholders	537,696.50	538,316.30
19	Total liabilities and surplus	3,350,212.54	3,106,637.69
	Details of Write-Ins for Liabilities:		
1601			
1602			
1603			
1698	Summary or remaining write-ins from overflow page	0.00	0.00
1699	Total aggregate write-ins	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION
STATEMENT OF INCOME**

2011

		Current Year	Prior Year
UNDERWRITING INCOME			
1.1	Gross Assessments/Premiums earned	6,478,345.88	6,632,305.18
1.2	Less: Return Assessments/Premiums earned	0.00	0.00
1.3	Direct Assessments/Premiums earned	6,478,345.88	6,632,305.18
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	6,478,345.88	6,632,305.18
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	0.00
1.6	Net Assessments/Premiums earned	0.00	0.00
DEDUCTIONS			
2	Losses incurred (Underwriting Exhibit - Part 2)	0.00	0.00
3	Loss expenses incurred (Expense Exhibit)	0.00	0.00
4	Other underwriting expenses incurred (Expense Exhibit)	362,204.74	504,098.31
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	362,204.74	504,098.31
7	Net underwriting gain (loss)	-362,204.74	-504,098.31
INVESTMENT INCOME			
8	Net investment income earned	46,246.65	20,848.22
9	Net realized capital gains (losses) less capital gains tax	0.00	0.00
10	Net investment gain (loss)	46,246.65	20,848.22
OTHER INCOME			
11	Net gain (loss) from agents' or premium balances charged off	0.00	0.00
12	Finance and service charges not included in premiums	112,458.99	114,702.52
13	Aggregate write-ins for miscellaneous income	209,661.99	258,595.82
14	Total other income	322,120.98	373,298.34
15	Net income, after capital gains tax and before federal income taxes	6,162.89	-109,951.75
16	Federal income taxes incurred	19,628.00	-19,628.00
17	Net income	-13,465.11	-90,323.75
SURPLUS ACCOUNT			
18	Surplus as regards policyholders, December 31 prior year	538,316.30	722,793.45
19	Net income	-13,465.11	-90,323.75
20	Change in net unrealized capital gains or (losses) less capital gains tax	1,056.39	-41,112.61
21	Change in net deferred income tax	17,451.00	-19,824.00
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	-5,662.08	-33,216.79
23	Change in provision for reinsurance	0.00	0.00
24	Aggregate write-ins for gains and losses in surplus	0.00	0.00
25	Change in surplus as regards policyholders for the year	-619.80	-184,477.15
26	Surplus as regards policyholders, December 31 current year	537,696.50	538,316.30
DETAILS OF WRITE-INS			
0501		0.00	0.00
0502		0.00	0.00
0503		0.00	0.00
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301	MANAGEMENT FEES	14,400.00	46,500.00
1302	SUPPLEMENTAL PREMIUM COMMISSIONS	193,425.24	262,186.10
1303	SALE OF BUILDING	0.00	-50,090.28
1304	OTHER INCOME	1,836.75	0.00
1399	Total Aggregate write-ins for miscellaneous income	209,661.99	258,595.82
2401		0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION
CASH FLOW STATEMENT**

2011

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	242,490.43	551,470.94
2	Net investment income	38,783.99	21,851.20
3	Miscellaneous income	322,120.98	423,388.62
4	Total	603,395.40	996,710.76
5	Benefit and loss related payments	22,207.39	-312,663.17
6	Commissions, expenses paid and aggregate write-ins for deductions	416,318.95	597,092.09
7	Federal and foreign income taxes paid (recovered)		12,671.00
8	Total	438,526.34	297,099.92
9	Net cash from operations	164,869.06	699,610.84
Cash from Investments			
10	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		
10.2	Stocks		
10.3	Real estate		121,643.45
10.4	Net gains (losses) on cash, cash equivalents and short- term investments		
10.5	Miscellaneous proceeds		
10.6	Total investment proceeds	0.00	121,643.45
11	Cost of investments acquired (long-term only):		
11.1	Bonds	593,000.00	398,000.00
11.2	Stocks		
11.3	Real estate		
11.4	Miscellaneous applications		
11.5	Total investments acquired	593,000.00	398,000.00
11.6	Net cash from investments	-593,000.00	-276,356.55
Cash from Financing and Miscellaneous Sources			
12.1	Borrowed funds (cash provided/applied)		
12.2	Other cash provided (applied)	368,731.62	-381,373.32
13	Net cash from financing and miscellaneous sources	368,731.62	-381,373.32
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT- TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	-59,399.32	41,880.97
15.1	Beginning of year (cash, cash equivalents and short-term investments)	575,996.07	534,115.10
15.2	End of year (cash, cash equivalents and short-term investments)	516,596.75	575,996.07

**ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION**

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EXPENSE EXHIBIT

		Current Year
1.1	Claim Adjusting: Direct	181,646.14
1.2	Reinsurance assumed	0.00
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	181,646.14
1.4	Net claim adjusting	0.00
2.1	Commission and Brokerage: Direct commission and brokerage	1,153,127.38
2.2	Reinsurance assumed excluding contingent	0.00
2.3	Reinsurance ceded excluding contingent (commission and brokerage)	1,751,807.51
2.4	Contingent - direct (commission and brokerage)	51,273.60
2.5	Contingent - reinsurance assumed (commission and brokerage)	0.00
2.6	Contingent - reinsurance ceded (commission and brokerage)	0.00
2.7	Policy and membership fees (commission and brokerage)	0.00
2.8	Net commission and brokerage	(547,406.53)
3	Allowances to managers and agents	12,816.00
4	Advertising	13,335.97
5	Boards, bureaus and associations	53,465.53
6	Surveys and underwriting reports	37,743.56
7	Audit of assureds' records	0.00
8.1	Salary and related items: Salaries	0.00
8.2	Payroll taxes	0.00
9	Employee relations and welfare	0.00
10	Insurance	24,350.75
11	Directors' fees	18,865.00
12	Travel and travel items	8,882.15
13	Rent and rent items	12,684.90
14	Equipment	1,961.41
15	Cost or depreciation of EDP equipment and software	10,648.43
16	Printing and stationery	22,633.49
17	Postage, telephone, exchange and express	36,186.56
18	Legal and auditing	51.27
19	Loss adjustment expenses	0.00
18	Investment expenses	1,622.83
19	Totals	255,247.85
20.1	Taxes, licenses and fees: State and local insurance taxes	0.00
20.2	Insurance department licenses and fees	350.00
20.3	All other (excluding federal income and real estate)	0.00
20.4	Total taxes, licenses and fees	350.00
21	Real estate expenses	2,074.33
22	Real estate taxes	0.00
23	Aggregate write-ins for miscellaneous expenses	651,939.09
24	Total expenses incurred (a)	362,204.74
25	Less unpaid expenses - current year	346,721.30
26	Add unpaid expenses - prior year	400,835.51
27	Total expenses paid	416,318.95
	Details of Write-Ins:	
2301	LIABILITY PREMIUMS	41,374.66
2302	UTILITIES	6,705.75
2303	miscellaneous	1,270.49

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WASHINGTON MUTUAL INSURANCE ASSOCIATION

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	1,848,773,351	10,507
2	Written during the year	192,035,350	808
3	Total	2,040,808,701	11,315
4	Deduct those expired and cancelled	382,605,694	2,111
5	In force December 31 of current year	1,658,203,007	9,204
6	Deduct amount reinsured	0	XXX
7	Net amount in force	1,658,203,007	XXX

**ANNUAL STATEMENT FOR THE YEAR
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2011

**UNDERWRITING EXHIBIT - PART 2
LOSSES INCURRED**

1 Lines of Business	2 Direct Losses Incurred	3 Losses Incurred on Reinsurance Assumed	4 Deduct: Reinsurance Recovered on Incurred Losses	5 Deduct: Salvage and Subrogation Converted To Cash	6 * Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
PROPERTY	4,836,408.35		4,836,408.35		
OVERFLOW AMOUNTS					
Totals	\$ 4,836,408.35	\$ -	\$ 4,836,408.35	\$ -	\$ -

* Total should equal Line 2, Page 4, Current Year.

**UNDERWRITING EXHIBIT - PART 2A
UNPAID LOSSES and LOSS ADJUSTMENT EXPENSES**

1 Lines of Business	2 Direct Unpaid Losses	3 Unpaid Losses on Reinsurance Assumed	4 Deduct: Reinsurance Recoverable on Unpaid Losses	5 ** Unpaid Loss Adjustment Expenses	6 *** Net Unpaid Losses Columns 2 and 3 minus Column 4
PROPERTY	377,857.32		377,857.32		
OVERFLOW AMOUNTS					
Totals	\$ 377,857.32	\$ -	\$ 377,857.32	\$ -	\$ -

** Total should equal Line 2, Page 3, Current Year.

*** Total should equal Line 1, Page 3, Current Year.

**ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION**

2011

EXHIBIT OF NONADMITTED ASSETS

		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1	Bonds			0.00
2	Preferred and common stocks and mutual funds	129.33	208.68	79.35
3	Real estate (less liens, encumbrances)			0.00
4	Cash			0.00
5	Short-term investments			0.00
6	Aggregate write-ins for invested assets			0.00
7	Subtotals, cash and invested assets	129.33	208.68	79.35
8	Investment income due and accrued			0.00
9.1	Assessments or premiums in the course of collection (including agents balances)			0.00
9.2	Premium receivable for advance pay			0.00
9.3	Earned but unbilled premiums (post assessment)			0.00
10.1	Amounts recoverable from reinsurers			0.00
10.2	Funds held by or deposited with reinsured companies			0.00
11.1	Current federal income tax recoverable and interest thereon			0.00
11.2	Net deferred tax asset	66,444.00	43,446.00	-22,998.00
12	Electronic data processing equipment and software			0.00
13	Furniture and equipment	13,950.28	23,250.71	9,300.43
14	Receivables from parent, subsidiaries and affiliates			0.00
15	Aggregate write-ins for other than invested assets	37,043.86	45,000.00	7,956.14
16	Total Assets	117,567.47	111,905.39	-5,662.08
	Details of Write-Ins for Assets:			
1501	AGENT LOAN	37,043.86	45,000.00	7,956.14
1502		0.00	0.00	0.00
1503		0.00	0.00	0.00
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00
1599	Total aggregate write-ins	37,043.86	45,000.00	7,956.14

SCHEDULE A

Showing All Real Estate OWNED December 31 of Current Year

Showing All Real Estate OWNED December 31 of Current Year

Date Acquired	Name of Vendor	Actual Cost	5 Current Year Acquisitions or Permanent Improvements	6 Accumulated Depreciation	7 Amount of Encumbrances	8 Book Value End of Current Year (Col. 4+5-6-7) *	9 Gross Income Current Year (Real Estate)	10 Gross Expenses Current Year (Real Estate)
XXX	XXX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1, Current Year.

FURNITURE, FIXTURES and AUTOMOBILES

Showing All Furniture, Fixtures, and Automobiles OWNED December 31 of Current Year

SCHEDULE D - PART 1
Showing all BONDS Owned on December 31 of Current Year

STATEMENT OF THE

WASHINGTON MUTUAL INSURANCE ASSOCIATION

SCHEDULE D - PART 2
Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

SCHEDULE D - PART 2

ANNUAL STATEMENT OF THE

WASHINGTON MUTUAL INSURANCE ASSOCIATION

SCHEDULE D - PART 3

Showing all Bonds and Preferred & Common Stocks ACQUIRED During the Current Year

and stocks, common stocks and mutual funds to be grouped separately.

each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "various" inserted in Columns 2 and 3.

SCHEDULE D - PART 4
SOLD REDEEMED OR DISPOSED OF During the Current Year

Showing all Bonds and common stocks and mutual funds to be grouped separately.

REINSURANCE SCHEDULE

*Total to agree with Page 4, Line 1.4, Current Year.

**Total to agree with Page 4, Line 1.5, Current Year.

COMPENSATION SCHEDULE

Show all salaries, commissions, claim adjustment expenses, directors fees and expenses, and travel items paid in the current year for the top 5 officers/employees and all directors, travel or car allowances, if paid, are to be included.

1 Name of Payee	2 Title	3 Salaries	4 Commissions	5 Claim Adjustment Expenses	6 Directors Fees & Expenses	7 Travel & Travel Items	8 All Other	9 Total
Officers/Employees:								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Directors:								
SCOTT PREISING					3,750.00			\$ 3,750.00
GREGORY BUEHLER					3,750.00			\$ 3,750.00
ELIZABETH MCCOY					3,750.00			\$ 3,750.00
MORRIS STUTZMAN					3,750.00			\$ 3,750.00
DONALD RAMSEYER					3,750.00			\$ 3,750.00
RALPH GRESSER					115.00			\$ 115.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ -	\$ -	\$ -	\$ 18,865.00	\$ -	\$ -	\$ 18,865.00

GENERAL INTERROGATORIES

(Answer all questions and attach additional sheets if necessary.)

1. Company's retention:	Fire	\$200,000	Wind	\$200,000	Other	\$200,000
1a. Retention before reinsurance applies for:	Catastrophe Reinsurance			\$1,000,000	Aggregate excess of loss	
2. What is the largest risk assumed and retained:						
3. What kind of perils are being covered?	ALL PHYSICAL DAMAGE PERILS TO PROPERTY INCLUDING THEFT					
4. Have the by-laws been amended during the current year?	NO		If so, were such amendments filed with the			
Ohio Department of Insurance?	N/A					
5. In what counties does the Company operate:	STATE OF OHIO					
6. Name of Principal Officer and amount of bond.	TOD J CARMONY \$500,000					
7. Are all of the persons who handle funds of the Company bonded?	Yes <input checked="" type="checkbox"/>		No _____			
State the name and amount of each bond on each, except person named in Item 6 above.						
8. Does the Company have an annual audit conducted by an independent CPA?	NO					
9. State the number of members holding policies in the Company.	9204					
10. Was an annual report of the Company made available to each policyholder?	YES		If so, did such report agree			
with the annual statement filed with the Ohio Department of Insurance?						
11. State as of what date the latest examination of the Company was made by the Ohio Department of Insurance.						
12. How many assessments were made during the year? <u>NONE</u>	Date of last assessment		N/A			
13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?	N/A					
14. Rate of policy fee <u>NONE</u>						
15. State the amount of borrowed money since date of last assessment <u>NONE</u>	interest thereon		NONE			
16. Does any person, firm, corporation or association have any claim, contingent or otherwise, against this Company which is NOT						
Included in the liabilities on page 2 of this statement? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> X						

**ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION**

2011

SCHEDULE E - CASH or CASH EQUIVALENTS

Showing All Balances (according to Company's Records) Carried in Each Bank or Savings and Loan

All Columns Must Be Completed for Each Deposit, CD, Checking Account, etc.

ANNUAL STATEMENT FOR THE YEAR
WASHINGTON MUTUAL INSURANCE ASSOCIATION

2011

ORGANIZATIONAL CHART

LIST ALL ENTITIES THAT ARE MEMBERS OF AN INSURANCE COMPANY HOLDING SYSTEM AS
DEFINED IN ORC 3901.32

Schedule Y – Part 1 Organizational Chart
Wayne Mutual / Washington Mutual (Group Code #4678)

