PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

16748201120100100

ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

Affinity Mutual Insurance Company

NAIC Group Code..... , NAIC Company Code..... 16748 Employer's ID Number..... 34-4317240
(Current Period) (Prior Period)

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio Country of Domicile US

Incorporated/Organized..... December 17, 1934 Commenced Business..... May 1, 1935

Statutory Home Office 722 North Cable Road….. Lima ..... OH 45805-1795
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 722 North Cable Road….. Lima ..... OH 45805-1795 419-227-6604
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 722 North Cable Road….. Lima ..... OH 45805-1795
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 722 North Cable Road….. Lima ..... OH 45805-1795 419-227-6604
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.affinity-mutual.com

Statutory Statement Contact Brent A. Helmke 419-227-6604
(Name) (Area Code) (Telephone Number) (Extension)
bhelmke@affinity-mutual.com 419-224-4874
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Jack L. Brinkman	President	2. Jack L. Brinkman	Secretary
3. Brent A. Helmke #	Treasurer	4.	

OTHER

Eldon M. Helmke Chairman David W. Seemann Vice Chairman

DIRECTORS OR TRUSTEES

Daniel R. Combs	David W. Seemann	Alvin J. King	Fred G. Bunke
Scott W. Boulis	Eldon M. Helmke	Dale N. Hirschfeld	Gary L. Luginbill
Brent R. Peterson #			

State of..... Ohio
County of..... Allen

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.

(Signature)	(Signature)	(Signature)
Jack L. Brinkman	Jack L. Brinkman	Brent A. Helmke
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____ 2012

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

b. If no 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	4,204,494		4,204,494	4,107,317
2. Stocks (Schedule D):				
2.1 Preferred stocks	314,820		314,820	320,960
2.2 Common stocks	5,359,879	926	5,358,953	4,915,744
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)	97,494		97,494	101,030
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....1,529,682, Sch. E-Part 1), cash equivalents ($.....0, Sch. E-Part 2) and short-term investments ($.....311,248, Sch. DA)	1,840,929		1,840,929	2,652,320
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	11,817,616	926	11,816,691	12,097,371
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	60,358		60,358	60,010
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection	349,280		349,280	335,474
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	1,809,552		1,809,552	1,822,350
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	69,221		69,221	145,654
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts	16,771		16,771	230,557
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	346,914		346,914	148,807
18.2 Net deferred tax asset	97,417		97,417	99,989
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	19,529		19,529	7,619
21. Furniture and equipment, including health care delivery assets ($.....0)	9,699	9,699	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care ($.....0) and other amounts receivable			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)	14,596,358	10,625	14,585,733	14,947,831
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	14,596,358	10,625	14,585,733	14,947,831
DETAILS OF WRITE-INS				
1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Building Permanent Improvement Pre-Payment			0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	1,031,912	838,700
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	186,993	183,195
4.	Commissions payable, contingent commissions and other similar charges	380,377	374,056
5.	Other expenses (excluding taxes, licenses and fees)	64,081	144,373
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	15,735	24,054
7.1	Current federal and foreign income taxes (including $.....0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $.....0 and interest thereon $.....0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....362,462 and including warranty reserves of $.....0 and accrued accident and health experience rating refunds including $.....0 for medical loss ratio rebate per the Public Health Service Act)	3,049,302	2,980,047
10.	Advance premium	11,938	4,074
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	283,904	247,342
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	1,013	980
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $.....0 and interest thereon $.....0		
25.	Aggregate write-ins for liabilities	0	0
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	5,025,255	4,796,821
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	5,025,255	4,796,821
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	9,560,478	10,151,009
36.	Less treasury stock, at cost:		
	36.1 .....0.000 shares common (value included in Line 30 $.....0)		
	36.2 .....0.000 shares preferred (value included in Line 31 $.....0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	9,560,478	10,151,009
38.	TOTALS (Page 2, Line 28, Col. 3)	14,585,733	14,947,831

DETAILS OF WRITE-INS

2501.	Line 15 from 2000 Annual Statement		
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	3,943,218	3,632,950
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7)	2,261,216	1,360,673
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	496,748	439,879
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	2,040,840	1,838,223
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	4,798,803	3,638,776
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(855,585)	(5,825)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	292,675	301,771
10.	Net realized capital gains (losses) less capital gains tax of $.....(41,412) (Exhibit of Capital Gains (Losses))	(97,027)	147,022
11.	Net investment gain (loss) (Lines 9 + 10)	195,648	448,792
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....151 amount charged off $.....6,889)	(6,738)	(1,643)
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	2,300	790
15.	Total other income (Lines 12 through 14)	(4,438)	(853)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(664,375)	442,114
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(664,375)	442,114
19.	Federal and foreign income taxes incurred	(199,144)	52,625
20.	Net income (Line 18 minus Line 19) (to Line 22)	(465,231)	389,489
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	10,151,009	9,295,394
22.	Net income (from Line 20)	(465,231)	389,489
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....0	(117,675)	636,218
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	(2,571)	(171,445)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3)	(5,054)	1,354
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(590,531)	855,616
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	9,560,478	10,151,009

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	Lines 23 and 29 from 2000 Annual Statement		
1402.	Miscellaneous Income	2,300	790
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	2,300	790
3701.	Lines 23 and 29 from 2000 Annual Statement		
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	4,055,891	3,616,834
2.	Net investment income	340,873	294,035
3.	Miscellaneous income	(4,438)	(853)
4.	Total (Lines 1 through 3)	4,392,326	3,910,016
5.	Benefit and loss related payments	1,777,784	1,725,341
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	2,602,074	2,212,314
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(42,449)	190,034
10.	Total (Lines 5 through 9)	4,337,409	4,127,689
11.	Net cash from operations (Line 4 minus Line 10)	54,917	(217,673)
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	694,464	2,019,838
	12.2 Stocks	3,116,170	4,399,826
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	51	
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,810,685	6,419,664
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	855,910	2,490,591
	13.2 Stocks	3,804,151	4,276,250
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	4,660,062	6,766,841
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(849,377)	(347,177)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(16,931)	4,300
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(16,931)	4,300
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(811,391)	(560,550)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	2,652,320	3,212,870
	19.2 End of year (Line 18 plus Line 19.1)	1,840,928	2,652,320

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	707,464	536,350	562,899	680,915
2.	Allied lines	471,302	357,567	374,925	453,943
3.	Farmowners multiple peril				0
4.	Homeowners multiple peril				0
5.	Commercial multiple peril	1,788,621	1,384,543	1,374,992	1,798,171
6.	Mortgage guaranty				0
8.	Ocean marine				0
9.	Inland marine	220,881	167,131	177,493	210,519
10.	Financial guaranty				0
11.1	Medical professional liability - occurrence				0
11.2	Medical professional liability - claims-made				0
12.	Earthquake				0
13.	Group accident and health				0
14.	Credit accident and health (group and individual)				0
15.	Other accident and health				0
16.	Workers' compensation				0
17.1	Other liability - occurrence	25,889	12,104	14,297	23,697
17.2	Other liability - claims-made				0
17.3	Excess workers' compensation				0
18.1	Products liability - occurrence				0
18.2	Products liability - claims-made				0
19.1, 19.2	Private passenger auto liability				0
19.3, 19.4	Commercial auto liability	473,539	372,439	389,848	456,130
21.	Auto physical damage	295,428	135,010	141,359	289,079
22.	Aircraft (all perils)				0
23.	Fidelity	10,757	5,720	5,374	11,103
24.	Surety	14,427	6,619	5,789	15,257
26.	Burglary and theft	4,166	2,564	2,324	4,406
27.	Boiler and machinery				0
28.	Credit				0
29.	International				0
30.	Warranty				0
31.	Reinsurance - nonproportional assumed property				0
32.	Reinsurance - nonproportional assumed liability				0
33.	Reinsurance - nonproportional assumed financial lines				0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	4,012,473	2,980,047	3,049,302	3,943,218

DETAILS OF WRITE-INS

3401.					0
3402.					0
3403.					0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	562,899				562,899
2.	Allied lines	374,925				374,925
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril	1,374,992				1,374,992
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	177,493				177,493
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence	14,297				14,297
17.2	Other liability - claims-made					0
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability					0
19.3, 19.4	Commercial auto liability	389,848				389,848
21.	Auto physical damage	141,359				141,359
22.	Aircraft (all perils)					0
23.	Fidelity	5,374				5,374
24.	Surety	5,789				5,789
26.	Burglary and theft	2,324				2,324
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	3,049,302	0	0	0	3,049,302
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					3,049,302

DETAILS OF WRITE-INS

3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case: Monthly Pro-Rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1. Fire	1,255,892				548,428	707,464
2. Allied lines	837,262				365,960	471,302
3. Farmowners multiple peril						0
4. Homeowners multiple peril						0
5. Commercial multiple peril	3,134,284				1,345,663	1,788,621
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	391,304				170,423	220,881
10. Financial guaranty						0
11.1 Medical professional liability - occurrence						0
11.2 Medical professional liability - claims-made						0
12. Earthquake						0
13. Group accident and health						0
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation						0
17.1 Other liability - occurrence	476,125				450,236	25,889
17.2 Other liability - claims-made						0
17.3 Excess workers' compensation						0
18.1 Products liability - occurrence						0
18.2 Products liability - claims-made						0
19.1, 19.2 Private passenger auto liability						0
19.3, 19.4 Commercial auto liability	806,589				333,050	473,539
21. Auto physical damage	298,307				2,879	295,428
22. Aircraft (all perils)						0
23. Fidelity	10,757					10,757
24. Surety	14,427					14,427
26. Burglary and theft	4,207				41	4,166
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Warranty						0
31. Reinsurance - nonproportional assumed property	XXX					0
32. Reinsurance - nonproportional assumed liability	XXX					0
33. Reinsurance - nonproportional assumed financial lines	XXX					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	7,229,154	0	0	0	3,216,681	4,012,473

DETAILS OF WRITE-INS

3401.							0
3402.							0
3403.							0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	20,294		0	20,294	25,633	25,234	20,693	3.0
2.	Allied lines	407,903		84,795	323,108	125,293	65,234	383,167	84.4
3.	Farmowners multiple peril				0			0	
4.	Homeowners multiple peril				0			0	
5.	Commercial multiple peril	2,136,067		730,418	1,405,649	682,426	517,151	1,570,924	87.4
6.	Mortgage guaranty				0			0	
8.	Ocean marine				0			0	
9.	Inland marine	131,233			131,233	2,500	19,500	114,233	54.3
10.	Financial guaranty				0			0	
11.1	Medical professional liability - occurrence				0			0	
11.2	Medical professional liability - claims-made				0			0	
12.	Earthquake				0			0	
13.	Group accident and health				0			0	
14.	Credit accident and health (group and individual)				0			0	
15.	Other accident and health				0			0	
16.	Workers' compensation				0			0	
17.1	Other liability - occurrence				0	22,059	20,432	1,627	6.9
17.2	Other liability - claims-made				0			0	
17.3	Excess workers' compensation				0			0	
18.1	Products liability - occurrence				0			0	
18.2	Products liability - claims-made				0			0	
19.1, 19.2	Private passenger auto liability				0			0	
19.3, 19.4	Commercial auto liability	87,923			87,923	138,543	166,275	60,191	13.2
21.	Auto physical damage	98,741			98,741	24,633	12,754	110,620	38.3
22.	Aircraft (all perils)				0			0	
23.	Fidelity				0			0	
24.	Surety				0	10,825	12,120	(1,295)	(8.5)
26.	Burglary and theft	1,055			1,055			1,055	23.9
27.	Boiler and machinery				0			0	
28.	Credit				0			0	
29.	International				0			0	
30.	Warranty				0			0	
31.	Reinsurance - nonproportional assumed property	XXX			0			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	
35.	TOTALS	2,883,217	0	815,213	2,068,003	1,031,912	838,700	2,261,216	57.3
	DETAILS OF WRITE-INS								
3401.					0			0	
3402.					0			0	
3403.					0			0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Line of Business	Reported Losses				Incurred But Not Reported			8	9
		1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	15,000			15,000	51,796		41,163	25,633	5,827
2.	Allied lines	166,480		51,820	114,660	51,795		41,162	125,293	20,786
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril				0				0	
5.	Commercial multiple peril	1,583,724		1,057,549	526,175	512,330		356,079	682,426	119,953
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	2,500			2,500				2,500	1,050
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0				0	
12.	Earthquake				0				0	
13.	Group accident and health				0				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation				0				0	
17.1	Other liability - occurrence				0	441,174		419,115	22,059	26,101
17.2	Other liability - claims-made				0				0	
17.3	Excess workers' compensation				0				0	
18.1	Products liability - occurrence				0				0	
18.2	Products liability - claims-made				0				0	
19.1, 19.2	Private passenger auto liability				0				0	
19.3, 19.4	Commercial auto liability	427,500		325,000	102,500	84,562		48,519	138,543	8,978
21.	Auto physical damage	22,750			22,750	1,902		19	24,633	3,204
22.	Aircraft (all perils)				0				0	
23.	Fidelity				0				0	
24.	Surety				0	10,825			10,825	1,094
26.	Burglary and theft				0				0	
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	2,217,954	0	1,434,369	783,585	1,154,384	0	906,057	1,031,912	186,993
	DETAILS OF WRITE-INS									
3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including $.....0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	698,496			698,496
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	352,876			352,876
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	345,620	0	0	345,620
2. Commission and brokerage:				
2.1 Direct, excluding contingent		860,197		860,197
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent		138,311		138,311
2.4 Contingent - direct		185,446		185,446
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded		117,542		117,542
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	789,790	0	789,790
3. Allowances to manager and agents	1,274			1,274
4. Advertising		12,548		12,548
5. Boards, bureaus and associations		8,525		8,525
6. Surveys and underwriting reports		83,073		83,073
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	95,561	654,499	25,597	775,657
8.2 Payroll taxes	6,908	47,314	1,850	56,072
9. Employee relations and welfare	22,160	151,777	5,936	179,873
10. Insurance	1,980	13,561	530	16,071
11. Directors' fees	6,919	47,390	1,853	56,163
12. Travel and travel items	2,939	16,337	159	19,435
13. Rent and rent items	2,672	18,304	716	21,692
14. Equipment	1,765	43,414	473	45,652
15. Cost or depreciation of EDP equipment and software	997	6,827	267	8,091
16. Printing and stationery	1,829	12,524	490	14,843
17. Postage, telephone and telegraph, exchange and express	3,033	20,775	813	24,621
18. Legal and auditing	3,090	45,748	15,972	64,811
19. Totals (Lines 3 to 18)	151,128	1,182,617	54,655	1,388,400
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....0		56,273		56,273
20.2 Insurance department licenses and fees		7,457		7,457
20.3 Gross guaranty association assessments		(1,772)		(1,772)
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	61,958	0	61,958
21. Real estate expenses			12,803	12,803
22. Real estate taxes			5,756	5,756
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	6,475	0	6,475
25. Total expenses incurred	496,748	2,040,840	73,214	(a) 2,610,801
26. Less unpaid expenses - current year	171,309	224,406	11,512	407,227
27. Add unpaid expenses - prior year	120,807	103,016	25,518	249,340
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	446,246	1,919,450	87,219	2,452,915

DETAILS OF WRITE-INS

2401. Policyholder Meeting Expense		1,915		1,915
2402. Miscellaneous Expenses		4,560		4,560
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	6,475	0	6,475

(a) Includes management fees of $.....0 to affiliates and $.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 2,737	2,976
1.1	Bonds exempt from U.S. tax	(a) 54,899	53,704
1.2	Other bonds (unaffiliated)	(a) 58,079	60,342
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 22,805	22,805
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	212,710	212,344
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 15,000	15,000
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 2,366	2,253
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	480	0
10.	Total gross investment income	369,076	369,425
11.	Investment expenses		(g) 73,214
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 3,536
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		76,749
17.	Net investment income (Line 10 minus Line 16)		292,675

DETAILS OF WRITE-INS

0901.	Dividend Received on 2010 Sold Investment	480	
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	480	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....742 accrual of discount less $.....59,758 amortization of premium and less $.....4,989 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....27 accrual of discount less $.....2,059 amortization of premium and less $.....768 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....3,536 depreciation on real estate and $.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds			0		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	382		382	(5,635)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0	(6,140)	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	(138,872)		(138,872)	(105,900)	
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	51		51		
7.	Derivative instruments			0		
8.	Other invested assets			0		
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	(138,439)	0	(138,439)	(117,675)	0

DETAILS OF WRITE-INS

0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	926	926	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	926	926	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets	9,699	4,645	(5,054)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	10,625	5,571	(5,054)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	10,625	5,571	(5,054)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501. Building Permanent Improvement Pre-Payment			0
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies:

A. Accounting Practices

The financial statements of Affinity Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance has adopted the National Association of Insurance Commissioner's (NAIC) Accounting Practices and Procedures Manual as the permitted practice for the filing of financial statements.

B. Use of Estimates in the Preparation of the Financial Statements

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 estimated.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed on a pro-rata basis.

Expenses incurred in the connection with acquiring new insurance business, including such acquisitions costs as sales commissions, are charged to operations as incurred.

Investments are stated at amortized cost or market value based on the NAIC Accounting Practice and Procedures Manual and the Purpose and Procedures Manual of the NAIC Securities Valuation Office.

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.

Note 2 - Accounting Changes and Corrections of Errors:

No significant change.

Note 3 - Business Combinations and Goodwill

None

Note 4 - Discontinued Operations

None

Note 5 - Investments

As of December 31, 2011, individual investments were reviewed to determine if an other than temporary impairment should be recorded and after reviewing the investments and the corresponding NAIC guidance no impairment was applied. One loaned-backed security investment (NAIC rated 1FM) is recorded at the lower of cost or market value . The market value is $104 thousand and the amortized cost value is $124 thousand. The $20 thousand difference is recorded as an unrealized loss.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

None

Note 7 - Investment Income

Affinity Mutual Insurance Company has $0 excluded investment income.

Note 8 - Derivative Instruments

None

Note 9 - Income Taxes

A.

1 The components of the net deferred tax asset/(liability) at 12/31 are as follows:

		12/31/2011			12/31/2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Gross deferred tax assets	$217,385	$0	$217,385	$241,950	$0	$241,950	($24,565)	$0	($24,565)
(b)	Statutory valuation allowance adjustment	$0	$0	$0	$0	$0	$0	$0	$0	$0
(c)	Adjusted gross deferred tax assets	$217,385	$0	$217,385	$241,950	$0	$241,950	($24,565)	$0	($24,565)
(d)	Deferred tax liabilities	$11,938	$108,030	$119,968	$6,662	$135,299	$141,961	$5,276	($27,269)	($21,993)
(e)	Subtotal (net deferred tax assets)	$205,447	($108,030)	$97,417	$235,288	($135,299)	$99,989	($29,841)	$27,269	($2,572)
(f)	Deferred tax assets nonadmitted	$0	$0	$0	$0	$0	$0	$0	$0	$0
(g)	Net admitted deferred tax assets	$205,447	($108,030)	$97,417	$235,288	($135,299)	$99,989	($29,841)	$27,269	($2,572)

4 Admission calculation components - SSAP 10R, paragraphs 10.a., 10.b. and 10.c.

		12/31/2011			12/31/2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	SSAP 10R, paragraph 10.a.	$0	$0	$0	$0	$0	$0	$0	$0	$0
(b)	SSAP 10R, paragraph 10.b. (the lesser of paragraph 10.b.i. and 10.b.ii)	$217,385	$0	$217,385	$241,950		$241,950	($24,565)	$0	($24,565)
(c)	SSAP 10R, paragraph 10.b.i	$217,385	$0	$217,385	$241,950		$241,950	($24,565)	$0	($24,565)
(d)	SSAP 10R, paragraph 10.b.ii.	XXX	XXX	$956,048	XXX	XXX	$1,005,102	XXX	XXX	($49,054)
(e)	SSAP 10R, paragraph 10.c.	$0	$0	$0	$0	$0	$0	$0	$0	$0
(f)	Total (4a + 4b + 4e)	$217,385	$0	$217,385	$241,950	$0	$241,950	($24,565)	$0	($24,565)
	Used in SSAP 10R, paragraph 10.d.									
(m)	Total adjusted capital	XXX	XXX	$9,560,478	XXX	XXX	$10,151,009	XXX	XXX	($590,531)
(n)	Authorized control level	XXX	XXX	$801,324	XXX	XXX	$694,977	XXX	XXX	$106,347

5 Due to the nature of Affinity Mutual Insurance Company's Deferred Tax Assets, the impact of tax planning strategies are negligible.

6 SSAP 10R, paragraphs 10.a., 10.b. and 10.c.

		12/31/2011			12/31/2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Admitted deferred tax assets	$205,447	($108,030)	$97,417	$235,288	($135,299)	$99,989	($29,841)	$27,269	($2,572)
(b)	Admitted assets	XXX	XXX	$14,585,733	XXX	XXX	$14,947,831	XXX	XXX	($362,098)
(c)	Adjusted statutory surplus (adjusted in accordance with paragraph 10.b.ii.)	XXX	XXX	$9,560,478	XXX	XXX	$10,051,020	XXX	XXX	($490,542)
(d)	Total adjusted capital from DTAs	XXX	XXX	$97,417	XXX	XXX	$99,989	XXX	XXX	($2,572)

NOTES TO FINANCIAL STATEMENTS

C

1 Current income tax

		12/31/2011	12/31/2010	Change
(a)	Federal	($199,144)	$109,963	($309,107)
(d)	Federal income tax on net capital gains	($41,412)	$0	($41,412)
(e)	Utilization of capital loss carry-forwards	$0	($57,338)	$57,338
(g)	Federal and foreign income taxes incurred	($240,556)	$52,625	($293,181)

2 Deferred tax assets

(a) Ordinary	12/31/2011	12/31/2010	Change
Discounting of unpaid losses	$9,221	$10,571	($1,350)
Unearned premium reserve	$208,164	$202,920	$5,244
Other	$0	$28,458	($28,458)
Admitted ordinary deferred tax assets	$217,385	$241,950	($24,565)

(b) Capital	12/31/2011	12/31/2010	Change
Investments	$0	$0	$0
Admitted capital deferred tax assets	$0	$0	$0
Admitted deferred tax assets	$217,385	$241,950	($24,565)

3 Deferred Tax Liabilities

(a) Ordinary	12/31/2011	12/31/2010	Change
Fixed assets	$7,608	$2,045	$5,563
Other	$4,330	$4,617	($287)
Subtotal	$11,938	$6,662	$5,276

(b) Capital	12/31/2011	12/31/2010	Change
Investments	$108,030	$135,299	($27,269)
Subtotal	$108,030	$135,299	($27,269)
Deferred tax liabilities (3a99 + 3b99)	$119,968	$141,961	($21,993)

Net deferred tax assets/liabilities (2i - 3c)	$97,417	$99,989	($2,572)

E. Additional disclosures:

1 Affinity Mutual Insurance Company has a net operating loss carryforward of $12,605 which will expire in 2031.
Affinity Mutual Insurance Company has a net capital loss carryforward of $6,550 which will expire in 2016.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties

Affinity Mutual Insurance Company owns all outstanding shares of Ohio Insurance Services, Inc. This Subsidiary is valued using the equity method. The equity in Ohio Insurance Services, Inc. ($926) is treated as a non-admitted asset.

Note 11 - Debt

None

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefits

Affinity Mutual Insurance Company has a 401(k) profit sharing plan.

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses:

a. Unrealized gains and losses $317,735

Note 14 - Contingencies

B. Assessments

As of December 31, 2011, Affinity Mutual Insurance Company received notification of various insurer insolvencies. It is expected that the insolvencies may result in guaranty fund assessments against Affinity Mutual Insurance Company at some future date. At this time the company is unable to estimate the possible amounts, if any, of such assessments. Accordingly, the company is unable to determine the impact, if any, such assessments may have on the company's financial position or results of operations.

Note 15 - Leases

None

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

C. Wash Sales - None

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

N/A

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

None

NOTES TO FINANCIAL STATEMENTS

Note 20 - Fair Value Measurements

A.

1 Fair Value Measurements as of 12/31/2011

Description	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Perpetual Preferred Stock				
Industrial & Miscellaneous	$314,820			$314,820
Bonds				
Industrial & Miscellaneous	$103,656			$103,656
Common Stock				
Industrial & Miscellaneous	$4,834,947			$4,834,947
Subsidiary	$926			$926
Mutual Funds	$524,007			$524,007
Total Common Stock	$5,359,879			$5,359,879
Total Assets Reported at Fair Value	$5,778,355	$0	$0	$5,778,355

Note 21 - Other Items

None

Note 22 - Events Subsequent

None

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverables

Affinity Mutual Insurance Company has two unsecured aggregate recoverables for losses, paid and unpaid including IBNR, loss adjustment expenses and the unearned premium with individual reinsurers, authorized or unauthorized, that exceed approximately 3% of policyholder surplus ($286,814).

1. General Reinsurance Corporation (Federal ID # 13-2673100): Net Recoverable = $679,777

2. Munich Reinsurance - America Inc (Federal ID # 13-4924125): Net Recoverable = $307,946

2. Maiden Reinsurance Corporation and Affinity Mutual Insurance Company have entered into a trust agreement. Maiden Reinsurance Corporation has agreed to collateralize payments of all amounts as of December 31, 2011 owed by Maiden Reinsurance Company to Affinity Mutual Insurance Company in connection with various Reinsurance Agreements. In conjunction with the agreement, Maiden Reinsurance Company has deposited investment grade bonds and short term investments with a cost basis of $2,852,648 with an independent trustee.

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

If all reinsurance contracts were cancelled effective December 31, 2011, Affinity Mutual would owe reinsurers $62,001 return commission on ceded unearned reinsurance premium of $362,462.

Affinity Mutual Insurance Company's financial statements (Page 2, "ASSETS") reflect $16,771 of contingency agreement profit sharing.

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were $1.022 million. As of December 31, 2011, $544 thousand has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $431 thousand as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore there has been a $47 thousand favorable prior year development since December 31, 2000 to December 31, 2010. This decrease is generally the result from ongoing analysis of loss developmental trends. Original reserve estimates are increased and decreased as additional information becomes known regarding individual claims.

Note 26 - Intercompany Pooling Arrangements

N/A

Note 27 - Structured Settlements

None

Note 28 - Health Care Receivables

N/A

NOTES TO FINANCIAL STATEMENTS

Note 29 - Participating Policies

N/A

Note 30 - Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	$0
2. Date if the most recent evaluation of this liability	December 31, 2011
3. Was anticipated investment income utilized in the calculation?	No

Note 31 - High Deductibles

None

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

None

Note 33 - Asbestos/Environmental Reserves

None

Note 34 - Subscriber Savings Account

N/A

Note 35 - Multiple Peril Crop Insurance

None

Note 36 - Financial Guaranty Insurance

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? Ohio

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:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010

3.2 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. 12/31/2010

3.3 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). 09/02/2011

3.4 By what department or departments? Ohio Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

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

5.2 If yes, provide the name of the 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 Co. Code	3 State of Domicile

6.1 Has the 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]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control .....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Lentol, Violet, Kienitz & Company, 2981 Blue Jacket Court, Lima, Ohio 45806

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the answer to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Oliver Wyman Actuarial Consulting (William Hansen), 325 John H. McConnell Blvd., Suite 350, Columbus, Ohio 43215

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value .....

12.2 If yes, provide explanation.

GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 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.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $.....0

20.12 To stockholders not officers $.....0

20.13 Trustees, supreme or grand (Fraternal only) $.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $.....0

20.22 To stockholders not officers $.....0

20.23 Trustees, supreme or grand (Fraternal only) $.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others .....

21.22 Borrowed from others .....

21.23 Leased from others .....

21.24 Other .....

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment .....

22.22 Amount paid as expenses .....

22.23 Other amounts paid .....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. .....

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)? Yes [X] No [ ]

24.2 If no, give full and complete information relating thereto.

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. .....

24.6 If answer to 24.4 is no, report amount of collateral for other programs. .....

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$.....0
25.22	Subject to reverse repurchase agreements	$.....0
25.23	Subject to dollar repurchase agreements	$.....0
25.24	Subject to reverse dollar repurchase agreements	$.....0
25.25	Pledged as collateral	$.....399,812
25.26	Placed under option agreements	$.....0
25.27	Letter stock or securities restricted as to sale	$.....0
25.28	On deposit with state or other regulatory body	$.....0
25.29	Other	$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year: .....

28. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Fifth Third Bank	38 Fountain Square Plaza, Cincinnati, Ohio 45263
American Enterprise Investment Services, Inc.	70400 Ameriprise Financial Center, Minneapolis, MN 55474

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [X] No [ ]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Wells Fargo Advisors, LLC	American Enterprise Investment Services, Inc.	06/16/2011	Followed broker to new firm.

28.05 Identify all investment advisors, brokers/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 Number(s)	2 Name	3 Address

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
29.2999. TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	4,515,741	4,572,765	57,024
30.2 Preferred stocks	314,820	314,820	0
30.3 Totals	4,830,561	4,887,585	57,024

30.4 Describe the sources or methods utilized in determining the fair values:
Fair Values are supplied by American Eneterprise Investment Services, Inc. and Fifth-Third Bank and are compared to the NAIC Valuations of Securities Office values to determine appropriate values.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $.....91,356

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
ISO Commercial Services	64,210

34.1 Amount of payments for legal expenses, if any? $.....571

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Crabbe, Brown & James LLP	571

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
1.2 If yes, indicate premium earned on U.S. business only. .....
1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....
1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .....
1.5 Indicate total incurred claims on all Medicare Supplement insurance. .....
1.6 Individual policies:
Most current three years:
1.61 Total premium earned .....
1.62 Total incurred claims .....
1.63 Number of covered lives .....
All years prior to most current three years:
1.64 Total premium earned .....
1.65 Total incurred claims .....
1.66 Number of covered lives .....
1.7 Group policies:
Most current three years:
1.71 Total premium earned .....
1.72 Total incurred claims .....
1.73 Number of covered lives .....
All years prior to most current three years:
1.74 Total premium earned .....
1.75 Total incurred claims .....
1.76 Number of covered lives .....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	$.....0	$.....0
2.2 Premium Denominator	$.....3,943,218	$.....3,632,950
2.3 Premium Ratio (2.1/2.2)	.....0.0	.....0.0
2.4 Reserve Numerator	$.....0	$.....0
2.5 Reserve Denominator	$.....4,268,207	$.....4,001,942
2.6 Reserve Ratio (2.4/2.5)	.....0.0	.....0.0

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]
3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating policies .....
3.22 Non-participating policies .....

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]
4.2 Does the reporting entity issue non-assessable policies? Yes [X] No [ ]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....%
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $.....0

5. FOR RECIPROCAL EXCHANGES ONLY:
5.1 Does the exchange appoint local agents? Yes [ ] No [ ]
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]
5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]
5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [ ]
5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
N/A

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
Catastrophic Exposure Analysis was last performed in 2007 by Maiden RE. Statistical analysis (by zip code, per square mile) was used to determine what exposures exist for Tornado/ Hail, Earthquake and combined Tornado/Hail and Earthquake perils.
6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
Affinity Mutual has purchased a property catastrophic reinsurance program from Maiden Re for protection from excessive losses.
6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]
6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]
7.2 If yes, indicate the number of reinsurance contracts containing such provisions. .....
7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

8.2 If yes, give full information:

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or Yes [ ] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]

11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information:

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $.....0
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $.....0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: $.....0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [ ] N/A [X]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From .....%
12.42 To .....%

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

12.6 If yes, state the amount thereof at December 31 of current year:

12.61 Letters of credit .....
12.62 Collateral and other funds .....

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $.....125,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.12 Unfunded portion of Interrogatory 17.11

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14 Case reserves portion of Interrogatory 17.11

17.15 Incurred but not reported portion of Interrogatory 17.11

17.16 Unearned premium portion of Interrogatory 17.11

17.17 Contingent commission portion of Interrogatory 17.11

Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.19 Unfunded portion of Interrogatory 17.18

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21 Case reserves portion of Interrogatory 17.18

17.22 Incurred but not reported portion of Interrogatory 17.18

17.23 Unearned premium portion of Interrogatory 17.18

17.24 Contingent commission portion of Interrogatory 17.18

18.1 Do you act as a custodian for health savings account? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date.

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

18.4 If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

		1 2011	2 2010	3 2009	4 2008	5 2007
	Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,282,714	1,226,871	1,100,613	1,029,067	1,094,075
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,786,972	2,582,364	2,645,687	2,800,733	3,284,523
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,134,284	3,049,830	3,020,318	2,969,726	3,032,597
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	25,184	26,145	25,267	24,521	24,586
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6.	Total (Line 35)	7,229,154	6,885,210	6,791,885	6,824,047	7,435,781
	Net Premiums Written (Page 8, Part 1B, Col. 6)					
7.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	499,428	431,997	362,924	358,026	397,581
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,699,241	1,561,935	1,592,842	1,603,085	1,956,511
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,788,621	1,689,788	1,674,322	1,549,532	1,633,225
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	25,184	26,145	25,267	24,521	24,586
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12.	Total (Line 35)	4,012,473	3,709,866	3,655,355	3,535,163	4,011,904
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	(855,585)	(5,825)	398,137	(111,821)	(1,218,711)
14.	Net investment gain (loss) (Line 11)	195,648	448,792	91,755	18,145	484,059
15.	Total other income (Line 15)	(4,438)	(853)	(8,679)	(1,247)	(8)
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	(199,144)	52,625	163,538	(97,334)	(340,342)
18.	Net income (Line 20)	(465,231)	389,489	317,675	2,411	(394,319)
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	14,585,733	14,947,831	14,082,480	13,611,866	15,504,346
20.	Premiums and considerations (Page 2, Col. 3):					
	20.1 In course of collection (Line 15.1)	349,280	335,474	312,748	377,405	437,344
	20.2 Deferred and not yet due (Line 15.2)	1,809,552	1,822,350	1,762,068	1,772,314	2,107,493
	20.3 Accrued retrospective premiums (Line 15.3)					
21.	Total liabilities excluding protected cell business (Page 3, Line 26)	5,025,255	4,796,821	4,787,086	5,618,533	6,352,984
22.	Losses (Page 3, Line 1)	1,031,912	838,700	965,479	1,585,596	1,800,518
23.	Loss adjustment expenses (Page 3, Line 3)	186,993	183,195	132,519	201,674	259,606
24.	Unearned premiums (Page 3, Line 9)	3,049,302	2,980,047	2,903,131	2,908,113	3,304,677
25.	Capital paid up (Page 3, Lines 30 & 31)					
26.	Surplus as regards policyholders (Page 3, Line 37)	9,560,478	10,151,009	9,295,394	7,993,333	9,151,362
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	54,917	(217,673)	263,015	124,682	172,288
	Risk-Based Capital Analysis					
28.	Total adjusted capital	9,560,478	10,151,009	9,295,394	7,993,333	9,151,362
29.	Authorized control level risk-based capital	801,324	694,977	729,421	710,651	772,867
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30.	Bonds (Line 1)	35.6	34.0	30.0	61.5	52.8
31.	Stocks (Lines 2.1 & 2.2)	48.0	43.3	41.3	24.2	23.9
32.	Mortgage loans on real estate (Lines 3.1 & 3.2)					
33.	Real estate (Lines 4.1, 4.2 & 4.3)	0.8	0.8	0.9	1.0	0.9
34.	Cash, cash equivalents and short-term investments (Line 5)	15.6	21.9	27.8	13.1	22.3
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)			XXX	XXX	XXX
37.	Other invested assets (Line 8)					
38.	Receivable for securities (Line 9)				0.1	
39.	Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
40.	Aggregate write-ins for invested assets (Line 11)					
41.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
42.	Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43.	Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44.	Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	926	926	926	926	1,008
45.	Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10)					
46.	Affiliated mortgage loans on real estate					
47.	All other affiliated					
48.	Total of above lines 42 to 47	926	926	926	926	1,008
49.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	(117,675)	636,218	1,030,472	(1,267,618)	(89,191)
51. Dividends to stockholders (Line 35)					
52. Change in surplus as regards policyholders for the year (Line 38)	(590,531)	855,616	1,302,061	(1,158,029)	(473,204)
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	87,923	45,775	112,023	71,365	1,538,100
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	659,226	699,805	798,429	2,005,990	4,524,762
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,136,067	1,049,538	2,541,868	1,444,189	1,982,635
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
58. Total (Line 35)	2,883,217	1,795,118	3,452,320	3,521,544	8,045,497
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	87,923	45,775	112,385	37,232	488,659
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	574,431	629,383	660,376	805,339	1,377,388
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,405,649	812,294	859,026	965,050	911,495
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
64. Total (Line 35)	2,068,003	1,487,452	1,631,787	1,807,621	2,777,542
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	57.3	37.5	27.6	40.5	62.4
67. Loss expenses incurred (Line 3)	12.6	12.1	8.2	8.0	12.7
68. Other underwriting expenses incurred (Line 4)	51.8	50.6	53.3	54.3	53.4
69. Net underwriting gain (loss) (Line 8)	(21.7)	(0.2)	10.9	(2.8)	(28.5)
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	51.0	49.6	53.6	60.4	57.0
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	69.9	49.6	35.8	48.6	75.0
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	42.0	36.5	39.3	44.2	43.8
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(90)	(17)	(629)	(544)	(74)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100)	(0.9)	(0.2)	(7.9)	(5.9)	(0.8)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(47)	(680)	(1,036)	(404)	(262)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.5)	(8.5)	(11.3)	(4.2)	(2.8)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
				Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX					85	73		12	XXX
2. 2002	6,536	2,904	3,632	2,912	1,278	188	118	265	11	44	1,958	XXX
3. 2003	8,503	3,754	4,749	2,275	381	49	(1)	284	16	139	2,211	XXX
4. 2004	9,290	4,084	5,207	6,052	3,326	422	130	379	62	95	3,334	XXX
5. 2005	9,490	4,238	5,252	3,883	2,036	63	37	310	34	46	2,149	XXX
6. 2006	8,735	3,866	4,869	3,261	1,475	337	75	335	50	62	2,333	XXX
7. 2007	7,699	3,417	4,283	7,754	5,340	82	25	347	68	148	2,749	XXX
8. 2008	7,263	3,331	3,932	2,139	246	44		315	10	27	2,242	XXX
9. 2009	6,757	3,097	3,660	2,794	1,285	120	6	334	32	28	1,925	XXX
10. 2010	6,794	3,161	3,633	1,419	189	98	6	237	4	45	1,555	XXX
11. 2011	7,152	3,208	3,943	2,484	732	34		256	30	8	2,012	XXX
12. Totals	XXX	XXX	XXX	34,974	16,288	1,436	397	3,148	391	642	22,481	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		
1. Prior	585	585							80	80		0	XXX
2. 2002												0	XXX
3. 2003												0	XXX
4. 2004												0	XXX
5. 2005												0	XXX
6. 2006	456	325			35	30			1			136	XXX
7. 2007			5	5			0	0	1	0		1	XXX
8. 2008	36		60	57	5		3	2	8	3		50	XXX
9. 2009	53		137	131	8		12	11	21	7		82	XXX
10. 2010	54		262	173			6	5	32	13		162	XXX
11. 2011	1,034	524	691	541	50		29	23	140	68		788	XXX
12. Totals	2,218	1,434	1,154	906	97	30	49	42	283	171	0	1,219	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 2002	3,365	1,407	1,958	51.5	48.4	53.9				0	0
3. 2003	2,608	397	2,211	30.7	10.6	46.6				0	0
4. 2004	6,852	3,518	3,334	73.8	86.2	64.0				0	0
5. 2005	4,257	2,108	2,149	44.9	49.7	40.9				0	0
6. 2006	4,425	1,955	2,470	50.7	50.6	50.7				131	6
7. 2007	8,188	5,439	2,749	106.3	159.2	64.2				0	1
8. 2008	2,610	318	2,292	35.9	9.6	58.3				39	11
9. 2009	3,479	1,472	2,007	51.5	47.5	54.8				59	22
10. 2010	2,107	390	1,717	31.0	12.3	47.3				143	19
11. 2011	4,719	1,919	2,800	66.0	59.8	71.0				660	128
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,032	187

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior	509	555	659	467	459	377	325	319	319	319	0	0
2. 2002	2,091	1,845	1,748	1,733	1,737	1,737	1,705	1,705	1,705	1,705	0	0
3. 2003	XXX	2,324	2,188	2,074	1,957	1,962	1,943	1,943	1,943	1,943	0	0
4. 2004	XXX	XXX	2,800	2,979	3,182	3,157	3,020	3,018	3,018	3,018	0	0
5. 2005	XXX	XXX	XXX	2,181	2,011	1,940	1,881	1,872	1,873	1,873	0	0
6. 2006	XXX	XXX	XXX	XXX	2,374	2,473	2,442	2,205	2,192	2,183	(9)	(22)
7. 2007	XXX	XXX	XXX	XXX	XXX	2,928	2,714	2,476	2,474	2,471	(3)	(5)
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	2,144	2,007	1,971	1,981	10	(26)
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,684	1,718	1,690	(28)	7
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,525	1,465	(60)	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,502	XXX	XXX
12. Totals											(90)	(47)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	000	96	285	337	364	377	325	319	319	319	XXX	XXX
2. 2002	1,291	1,582	1,607	1,633	1,725	1,692	1,705	1,705	1,705	1,705	XXX	XXX
3. 2003	XXX	1,434	1,955	1,990	1,943	1,943	1,943	1,943	1,943	1,943	XXX	XXX
4. 2004	XXX	XXX	2,099	2,397	2,684	3,042	3,020	3,018	3,018	3,018	XXX	XXX
5. 2005	XXX	XXX	XXX	1,332	1,689	1,881	1,875	1,872	1,873	1,873	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	1,241	1,732	1,899	2,003	2,043	2,048	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	1,998	2,395	2,472	2,471	2,471	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	1,375	1,744	1,894	1,937	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,157	1,506	1,623	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,049	1,322	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,786	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior	47	3	34	3						
2. 2002	178	34	18	8	4					
3. 2003	XXX	213	124	52	14	4				
4. 2004	XXX	XXX	231	89	52	7				
5. 2005	XXX	XXX	XXX	285	105	57	5			
6. 2006	XXX	XXX	XXX	XXX	170	118	71	11		
7. 2007	XXX	XXX	XXX	XXX	XXX	311	132	4	3	
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	283	71	8	3
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	258	55	6
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	176	90
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	156

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	N								
8. Delaware DE	N								
9. District of Columbia DC	N								
10. Florida FL	N								
11. Georgia GA	N								
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	N								
15. Indiana IN	L	3,123,580	3,224,929		1,347,573	1,899,171	1,447,978		
16. Iowa IA	N								
17. Kansas KS	N								
18. Kentucky KY	N								
19. Louisiana LA	N								
20. Maine ME	N								
21. Maryland MD	N								
22. Massachusetts MA	N								
23. Michigan MI	L	243,645	229,613		131,508	99,280	84,520		
24. Minnesota MN	N								
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	N								
31. New Jersey NJ	N								
32. New Mexico NM	N								
33. New York NY	N								
34. North Carolina NC	N								
35. North Dakota ND	N								
36. Ohio OH	L	3,861,929	3,697,119		1,404,135	1,509,888	1,839,840		
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	N								
40. Rhode Island RI	N								
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	N								
44. Texas TX	N								
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	N								
48. Washington WA	N								
49. West Virginia WV	N								
50. Wisconsin WI	N								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. US Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CN	N								
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 3	7,229,154	7,151,661	0	2,883,217	3,508,339	3,372,338	0	0
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	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

(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.

Explanation of Basis of Allocation of Premiums by States, etc.

The primary method of allocating premium by state is the physical location of the risk.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

Affinity Mutual Insurance Company (Parent)
|
Ohio Insurance Services, Inc. (Subsidiary)

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