



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

The National Mutual Insurance Company

NAIC Group Code	0035 (Current)	0035 (Prior)	NAIC Company Code	20184	Employer's ID Number	34-4312510
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States of America					
Incorporated/Organized	09/14/1914			Commenced Business		01/07/1915
Statutory Home Office	1 Insurance Square (Street and Number)			Celina , OH 45822-1690 (City or Town, State and Zip Code)		
Main Administrative Office	1 Insurance Square (Street and Number)			Celina , OH 45822-1690 (City or Town, State and Zip Code)		
	419-586-5181 (Area Code) (Telephone Number)					
Mail Address	1 Insurance Square (Street and Number or P.O. Box)			Celina , OH 45822-1690 (City or Town, State and Zip Code)		
Primary Location of Books and Records	1 Insurance Square (Street and Number)			419-586-5181-8227 (Area Code) (Telephone Number)		
Internet Website Address	www.celinainsurance.com					
Statutory Statement Contact	Philip Marion Fullenkamp (Name)			419-586-5181-8227 (Area Code) (Telephone Number)		
	pfullenkamp@celinainsurance.com (E-mail Address)			419-586-6068 (FAX Number)		

OFFICERS

President	William West Montgomery	Treasurer	Philip Marion Fullenkamp
Secretary	Michael Stanley Kleinhenz		

OTHER

William Rodney Stapleton Sr. VP and COO	Robert Mark Shoenfelt Sr. VP and CIO	Vincent Miles Franz VP and Chief Actuary
Theodore Joseph Wissman VP- Claims	Martha Jane Meinerding # VP- Human Resources	

DIRECTORS OR TRUSTEES

William West Montgomery.	Philip Marion Fullenkamp	Nancy Montgomery Goldberg
David Thomas Mellin	Donald West Montgomery - Chairman	Wesley Moore Jetter
John Michael Lazarich #		

State of	Ohio	SS:
County of	Mercer	

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.

William West Montgomery President, Chief Executive Officer and General Manager	Michael Stanley Kleinhenz Secretary and Assistant Treasurer	Philip Marion Fullenkamp Sr. VP - CFO and Treasurer
Subscribed and sworn to before me this	a. Is this an original filing?	Yes [X] No []
day of February, 2012	b. If no,	
	1. State the amendment number.....	
	2. Date filed	
	3. Number of pages attached.....	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

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)	31,918,923		31,918,923	31,005,371
2. Stocks (Schedule D):				
2.1 Preferred stocks	89,321		89,321	100,722
2.2 Common stocks	5,517,975	102,286	5,415,689	5,346,958
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$				
encumbrances)	1,674,031		1,674,031	1,696,041
4.2 Properties held for the production of income (less				
\$				
encumbrances)				
4.3 Properties held for sale (less \$				
encumbrances)				
5. Cash (\$				
(199,169), Schedule E - Part 1), cash equivalents				
(\$				
, Schedule E - Part 2) and short-term				
investments (\$				
636,619, Schedule DA)	437,449		437,449	2,917,632
6. Contract loans (including \$				
premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivable for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	39,637,699	102,286	39,535,413	41,066,724
13. Title plants less \$				
charged off (for Title insurers				
only)				
14. Investment income due and accrued	257,810		257,810	260,648
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,982,636	284	3,982,352	3,647,360
15.2 Deferred premiums, agents' balances and installments booked but				
deferred and not yet due (including \$				
earned but unbilled premiums)	6,254,766		6,254,766	5,629,356
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,413,209		3,413,209	2,987,775
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	293,881		293,881	170,880
18.2 Net deferred tax asset	2,561,689	796,852	1,764,837	1,216,523
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	111,378	20,313	91,065	140,850
21. Furniture and equipment, including health care delivery assets				
(\$				
)	75,557	75,557		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	944,415		944,415	1,665,590
24. Health care (\$				
) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	133,061	133,061		
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	57,666,100	1,128,353	56,537,747	56,785,707
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts				
28. Total (Lines 26 and 27)	57,666,100	1,128,353	56,537,747	56,785,707
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Prepaid Expenses	127,405	127,405		
2502. Notes Receivable	5,656	5,656		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	133,061	133,061		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	8,386,146	8,432,760
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	1,477,192	2,390,604
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	2,689,400	2,418,420
4. Commissions payable, contingent commissions and other similar charges	179,921	232,570
5. Other expenses (excluding taxes, licenses and fees)	149,395	170,141
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	269,924	219,891
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$30,595,227 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	15,744,325	14,214,364
10. Advance premium	490,316	372,466
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	3,957,776	4,336,304
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	2,726,826	2,782,137
15. Remittances and items not allocated	52,047	(19,527)
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	39,969	19,099
19. Payable to parent, subsidiaries and affiliates	96,484	119,563
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	36,259,722	35,688,791
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	36,259,722	35,688,791
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	173,265	62,185
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	20,104,760	21,034,731
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	20,278,025	21,096,916
38. TOTALS (Page 2, Line 28, Col. 3)	56,537,747	56,785,707
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201. Added benefit under 10e admissibility tests	173,265	62,185
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	173,265	62,185

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	29,351,916	26,905,724
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	19,822,411	16,999,695
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	2,680,171	2,407,787
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	10,499,170	9,638,704
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	33,001,753	29,046,186
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(3,649,837)	(2,140,462)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,293,708	1,404,081
10. Net realized capital gains or (losses) less capital gains tax of \$ 95,746 (Exhibit of Capital Gains (Losses))	179,182	201,127
11. Net investment gain (loss) (Lines 9 + 10)	1,472,890	1,605,208
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 25,859 amount charged off \$ 73,636)	(47,778)	(44,013)
13. Finance and service charges not included in premiums	487,627	447,820
14. Aggregate write-ins for miscellaneous income	(30,583)	(24,151)
15. Total other income (Lines 12 through 14)	409,266	379,656
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(1,767,681)	(155,598)
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)	(1,767,681)	(155,598)
19. Federal and foreign income taxes incurred	(412,125)	49,849
20. Net income (Line 18 minus Line 19)(to Line 22)	(1,355,556)	(205,447)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	21,096,916	20,518,762
22. Net income (from Line 20)	(1,355,556)	(205,447)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,764	(20,267)	428,547
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	250,372	178,105
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	195,481	225,510
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	111,080	(48,561)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(818,891)	578,154
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	20,278,025	21,096,916
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)		
1401. Cash Short & Over	(20,092)	(28,028)
1402. Miscellaneous	(10,491)	3,877
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(30,583)	(24,151)
3701. Change in benefit under 10e admissibility tests	111,080	(48,561)
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	111,080	(48,561)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	29,662,173	29,222,382
2. Net investment income	1,676,940	1,763,628
3. Miscellaneous income	409,266	381,458
4. Total (Lines 1 through 3)	31,748,378	31,367,468
5. Benefit and loss related payments	21,207,872	16,420,037
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	12,832,229	11,947,355
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(193,378)	302,120
10. Total (Lines 5 through 9)	33,846,723	28,669,512
11. Net cash from operations (Line 4 minus Line 10)	(2,098,344)	2,697,956
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	8,099,672	8,595,617
12.2 Stocks	217,990	1,372,706
12.3 Mortgage loans		
12.4 Real estate	16,490	
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	8,334,152	9,968,323
13. Cost of investments acquired (long-term only):		
13.1 Bonds	9,068,893	8,581,330
13.2 Stocks	187,640	1,335,832
13.3 Mortgage loans		
13.4 Real estate	110,275	10,192
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	9,366,809	9,927,353
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,032,657)	40,969
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)	650,819	(1,816,098)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	650,819	(1,816,098)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,480,183)	922,827
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,917,632	1,994,805
19.2 End of period (Line 18 plus Line 19.1)	437,449	2,917,632

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

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	865,047	455,072	454,225	865,895
2.	Allied lines	442,172	225,678	267,833	400,017
3.	Farmowners multiple peril	4,348,985	2,329,428	2,279,622	4,398,790
4.	Homeowners multiple peril	6,646,946	3,584,717	3,774,805	6,456,858
5.	Commercial multiple peril	1,538,195	922,448	887,630	1,573,012
6.	Mortgage guaranty				
8.	Ocean marine				
9.	Inland marine	437,687	225,243	243,225	419,705
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake	149,299	69,680	81,301	137,677
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation	328,127	160,202	166,195	322,135
17.1	Other liability - occurrence	887,551	223,426	410,296	700,680
17.2	Other liability - claims-made				
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	78,305	31,798	29,639	80,464
18.2	Products liability - claims-made				
19.1, 19.2	Private passenger auto liability	8,232,443	3,119,885	3,803,363	7,548,965
19.3, 19.4	Commercial auto liability	690,226	412,292	356,624	745,895
21.	Auto physical damage	6,230,050	2,451,886	2,986,425	5,695,511
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety	201	40	47	194
26.	Burglary and theft	6,642	2,571	3,096	6,117
27.	Boiler and machinery				
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - nonproportional assumed property				
32.	Reinsurance - nonproportional assumed liability				
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	30,881,877	14,214,364	15,744,325	29,351,916
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	454,225				454,225
2.	Allied lines	267,833				267,833
3.	Farmowners multiple peril	2,279,622				2,279,622
4.	Homeowners multiple peril	3,774,805				3,774,805
5.	Commercial multiple peril	887,630				887,630
6.	Mortgage guaranty					
8.	Ocean marine					
9.	Inland marine	243,225				243,225
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake	81,301				81,301
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation	166,195				166,195
17.1	Other liability - occurrence	410,296				410,296
17.2	Other liability - claims-made					
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	29,639				29,639
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability	3,803,363				3,803,363
19.3, 19.4	Commercial auto liability	356,624				356,624
21.	Auto physical damage	2,986,425				2,986,425
22.	Aircraft (all perils)					
23.	Fidelity					
24.	Surety	47				47
26.	Burglary and theft	3,096				3,096
27.	Boiler and machinery					
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - nonproportional assumed property					
32.	Reinsurance - nonproportional assumed liability					
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	15,744,325				15,744,325
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					15,744,325
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case Pro rata basis

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN						
Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
1. Fire	1,132,575	1,861,003		1,679,209	449,322	865,047
2. Allied lines	432,546	1,215,577		858,335	347,616	442,172
3. Farmowners multiple peril		13,630,011		8,442,147	838,879	4,348,985
4. Homeowners multiple peril	20,886,100	1,026,399		12,902,895	2,362,657	6,646,946
5. Commercial multiple peril		5,329,695		2,985,907	805,593	1,538,195
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	714,452	793,924		849,628	221,061	437,687
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	327,184	156,819		289,815	44,889	149,299
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation		1,136,143		636,953	171,062	328,127
17.1 Other liability - occurrence	890,124	2,023,577		1,722,893	303,257	887,551
17.2 Other liability - claims-made						
17.3 Excess workers' compensation						
18.1 Products liability - occurrence		252,328		152,004	22,018	78,305
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	16,390,033	7,872,151		15,980,626	49,115	8,232,443
19.3, 19.4 Commercial auto liability		2,336,060		1,339,851	305,983	690,226
21. Auto physical damage	12,755,978	6,161,904		12,093,627	594,206	6,230,050
22. Aircraft (all perils)						
23. Fidelity						
24. Surety		590		389		201
26. Burglary and theft		19,535		12,893		6,642
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX					
32. Reinsurance - nonproportional assumed liability	XXX					
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	53,528,992	43,815,716		59,947,173	6,515,658	30,881,877
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	307,243	1,337,065	1,092,139	552,170	55,065	68,110	539,125	62.3
2.	Allied lines	1,105,869	2,164,208	2,719,762	550,315	20,315	44,058	526,572	131.6
3.	Farmowners multiple peril		10,625,659	7,519,938	3,105,721	746,691	1,031,921	2,820,490	64.1
4.	Homeowners multiple peril	25,730,752	3,168,082	23,225,328	5,673,507	1,178,909	1,272,171	5,580,245	86.4
5.	Commercial multiple peril		4,711,773	3,707,024	1,004,749	525,653	477,304	1,053,098	66.9
6.	Mortgage guaranty								
8.	Ocean marine								
9.	Inland marine	137,778	148,725	193,468	93,035	12,585	2,285	103,336	24.6
10.	Financial guaranty								
11.1	Medical professional liability - occurrence								
11.2	Medical professional liability - claims-made								
12.	Earthquake								
13.	Group accident and health								
14.	Credit accident and health (group and individual)								
15.	Other accident and health								
16.	Workers' compensation	1,139	419,367	277,527	142,980	593,149	578,517	157,611	48.9
17.1	Other liability - occurrence	500	110,972	73,553	37,919	404,730	477,861	(35,212)	(5.0)
17.2	Other liability - claims-made								
17.3	Excess workers' compensation								
18.1	Products liability - occurrence		76,172	50,265	25,907	78,200	139,400	(35,293)	(43.9)
18.2	Products liability - claims-made								
19.1, 19.2	Private passenger auto liability	9,281,257	4,008,873	8,810,646	4,479,485	3,907,301	3,433,746	4,953,040	65.6
19.3, 19.4	Commercial auto liability	3,200	732,157	485,282	250,075	270,840	371,743	149,171	20.0
21.	Auto physical damage	10,291,736	4,496,677	10,841,334	3,947,079	164,787	87,323	4,024,543	70.7
22.	Aircraft (all perils)								
23.	Fidelity								
24.	Surety								
26.	Burglary and theft		17,898	11,813	6,085		34,000	(27,915)	(456.3)
27.	Boiler and machinery								
28.	Credit								
29.	International								
30.	Warranty								
31.	Reinsurance - nonproportional assumed property	XXX							
32.	Reinsurance - nonproportional assumed liability	XXX				427,922	414,322	13,600	
33.	Reinsurance - nonproportional assumed financial lines	XXX							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	46,859,475	32,017,628	59,008,077	19,869,026	8,386,146	8,432,760	19,822,411	67.5
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire	22,034	119,923	93,691	48,265	3,550	16,450	13,200	55,065	6,800
2.	Allied lines	7,499	52,850	43,435	16,915	31,625	133,375	161,600	20,315	3,400
3.	Farmowners multiple peril		1,113,512	746,261	367,251		1,233,500	854,060	746,691	377,400
4.	Homeowners multiple peril	1,548,365	228,244	1,233,160	543,449	3,511,500	70,000	2,946,040	1,178,909	608,600
5.	Commercial multiple peril		1,278,150	898,017	380,133		598,000	452,480	525,653	183,600
6.	Mortgage guaranty									
8.	Ocean marine									
9.	Inland marine	29,315	12,700	27,730	14,285	3,050	(8,050)	(3,300)	12,585	
10.	Financial guaranty									
11.1	Medical professional liability - occurrence									
11.2	Medical professional liability - claims-made									
12.	Earthquake									
13.	Group accident and health								(a)	
14.	Credit accident and health (group and individual)									
15.	Other accident and health								(a)	
16.	Workers' compensation	14,077	1,340,478	894,006	460,549		390,000	257,400	593,149	134,300
17.1	Other liability - occurrence	7,500	622,882	416,052	214,330	46,475	518,425	374,500	404,730	469,200
17.2	Other liability - claims-made									
17.3	Excess workers' compensation									
18.1	Products liability - occurrence		145,000	95,700	49,300		85,000	56,100	78,200	88,400
18.2	Products liability - claims-made									
19.1, 19.2	Private passenger auto liability	6,058,255	2,856,319	5,913,373	3,001,201	2,522,925	815,075	2,431,900	3,907,301	610,300
19.3, 19.4	Commercial auto liability	8,407	398,181	268,348	138,240		390,000	257,400	270,840	78,200
21.	Auto physical damage	589,757	316,000	628,770	276,987	(44,175)	24,175	92,200	164,787	129,200
22.	Aircraft (all perils)									
23.	Fidelity									
24.	Surety									
26.	Burglary and theft									
27.	Boiler and machinery									
28.	Credit									
29.	International									
30.	Warranty									
31.	Reinsurance - nonproportional assumed property	XXX				XXX				
32.	Reinsurance - nonproportional assumed liability	XXX	28,594	18,872	9,722	XXX	1,230,000	811,800	427,922	
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34.	Aggregate write-ins for other lines of business									
35.	TOTALS	8,285,209	8,512,833	11,277,416	5,520,626	6,074,950	5,495,950	8,705,380	8,386,146	2,689,400
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	2,684,730			2,684,730
1.2 Reinsurance assumed	1,287,489			1,287,489
1.3 Reinsurance ceded	2,916,452			2,916,452
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	1,055,767			1,055,767
2. Commission and brokerage:				
2.1 Direct excluding contingent		8,299,528		8,299,528
2.2 Reinsurance assumed, excluding contingent		6,723,939		6,723,939
2.3 Reinsurance ceded, excluding contingent		9,872,939		9,872,939
2.4 Contingent - direct		313,452		313,452
2.5 Contingent - reinsurance assumed		215,693		215,693
2.6 Contingent - reinsurance ceded		350,335		350,335
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		5,329,338		5,329,338
3. Allowances to managers and agents				
4. Advertising		64,332		64,332
5. Boards, bureaus and associations	17,124	149,848		166,972
6. Surveys and underwriting reports		422,672		422,672
7. Audit of assureds' records		3,999		3,999
8. Salary and related items:				
8.1 Salaries	948,344	2,086,072	16,492	3,050,908
8.2 Payroll taxes	71,681	158,457	989	231,127
9. Employee relations and welfare	177,176	425,147	3,618	605,941
10. Insurance	21,586	72,265		93,851
11. Directors' fees	30,527	102,198		132,725
12. Travel and travel items	66,039	102,439		168,477
13. Rent and rent items	67,915	250,136	2,550	320,601
14. Equipment	19,748	71,354	156	91,258
15. Cost or depreciation of EDP equipment and software	52,988	257,115	6,335	316,438
16. Printing and stationery	14,124	48,303	1,820	64,246
17. Postage, telephone and telegraph, exchange and express	49,408	135,255		184,663
18. Legal and auditing	11,234	38,369		49,603
19. Totals (Lines 3 to 18)	1,547,892	4,387,962	31,959	5,967,813
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		491,020		491,020
20.2 Insurance department licenses and fees		140,622		140,622
20.3 Gross guaranty association assessments		(27,922)		(27,922)
20.4 All other (excluding federal and foreign income and real estate)		40		40
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		603,760		603,760
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	76,512	178,109	80,242	334,863
25. Total expenses incurred	2,680,171	10,499,170	112,201 (a)	13,291,542
26. Less unpaid expenses - current year	2,689,400	599,240		3,288,640
27. Add unpaid expenses - prior year	2,418,420	622,601		3,041,021
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,409,191	10,522,531	112,201	13,043,923
DETAILS OF WRITE-INS				
2401. Other	76,512	178,109	80,242	334,863
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	76,512	178,109	80,242	334,863

(a) Includes management fees of \$ to affiliates and \$79,178 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 9,945	9,160
1.1	Bonds exempt from U.S. tax	(a) 163,821	178,880
1.2	Other bonds (unaffiliated)	(a) 975,214	958,610
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) 8,863	8,863
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated)	137,091	137,091
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) 244,476	244,476
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 1,622	1,114
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income	1,541,032	1,538,194
11.	Investment expenses	(g) 112,201	
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) 132,285	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	Total deductions (Lines 11 through 15)	244,486	
17.	Net investment income (Line 10 minus Line 16)	1,293,708	
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)		
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		

- (a) Includes \$26,883 accrual of discount less \$274,992 amortization of premium and less \$29,268 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$72,922 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$1,472 amortization of premium and less \$518 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$132,285 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax	25,799		25,799		
1.2	Other bonds (unaffiliated)	270,123	(26,951)	243,172	(76,532)	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	10,229		10,229		
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	(4,272)		(4,272)	81,722	
2.21	Common stocks of affiliates				(23,693)	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	301,879	(26,951)	274,928	(18,503)	
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	102,286	125,980	23,693
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company		16,490	16,490
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	102,286	142,470	40,184
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	284	1,658	1,375
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	796,852	985,478	188,626
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	20,313	21,231	918
21. Furniture and equipment, including health care delivery assets	75,557	96,458	20,901
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	133,061	76,538	(56,523)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,128,353	1,323,834	195,481
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,128,353	1,323,834	195,481
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Prepaid Expenses	127,405	62,649	(64,756)
2502. Notes Receivable	5,656	13,889	8,233
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	133,061	76,538	(56,523)

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

(A). Accounting Practices

The accompanying statutory-basis financial statements of The National Mutual Insurance Company (the "Company") have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance requires insurance companies domiciled in Ohio to prepare their statements in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Ohio Department of Insurance. The Company has not implemented any accounting practices which are prescribed or permitted by the State of Ohio that differ from those found in the NAIC Accounting Practices and Procedures Manual.

(B). Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles (SSAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

(C). Accounting Policy

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 premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost, using the interest method. Non-investment grade bonds are stated at the lower of amortized cost or fair value.
- (3) Unaffiliated common stocks are stated at market.
- (4) Preferred stocks are stated at either fair value or the lower of cost or fair value.
- (5) The Company has no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The prospective adjustment method is used to value such securities.
- (7) Investments in stock of subsidiaries are carried on the equity basis and subsequently non-admitted in accordance with SSAP No. 88 as audited statements of the subsidiaries are not obtained.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company owns no derivatives.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53. Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods used for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not offer health insurance policies and has no pharmaceutical rebate receivables.
- (14) Real estate is carried at cost less accumulated depreciation. Fair values are determined by an internal appraisal using cost and sales comparison approaches and consideration of relevant market issues.

2. Accounting Changes and Corrections of Errors

None to report.

3. Business Combinations and Goodwill

None to report.

4. Discontinued Operations

None to report.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. Mortgage Loans – None to report.
- B. Debt Restructuring – None to report.
- C. Reverse Mortgages – None to report.
- D. Loan-Backed Securities

- (1) Prepayment assumptions for loan-backed bonds or structured securities were obtained from broker dealer survey values or internal estimates. Significant changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method.

The aggregate Fair Value of loan-backed securities at December 31, 2011 is \$9,005,801 with approximately 67% represented by agency backed securities. Fair Values represent quoted prices in active markets for similar securities, or modeled valuations using the present value of estimated futures cash flows.

- (2) Securities with a recognized other-than-temporary impairment in the current period, disclosed in the aggregate, classified on the basis for the impairment are:

	Amortized Cost Basis Before	OTTI	
	<u>Current OTTI</u>	<u>Recognized</u>	<u>Fair Value</u>
OTTI Recognized 3 rd Quarter			
Aggregate Intent to Sell	\$ -	\$ -	\$ -
Aggregate Intent or Inability	<u>\$ 234,943</u>	<u>\$ 11,403</u>	<u>\$ 223,540</u>
Total 3 rd Quarter	\$ 234,943	\$ 11,403	\$ 223,540
OTTI Recognized 4 th Quarter			
Aggregate Intent to Sell	\$ -	\$ -	\$ -
Aggregate Intent or Inability	<u>\$ 219,053</u>	<u>\$ 15,548</u>	<u>\$ 203,505</u>
Total 4 th Quarter	\$ 219,053	\$ 15,548	\$ 203,505
Annual Aggregate Total		\$ 26,951	

- (3) Securities held with a recognized other-than-temporary impairment in the current period, where the present value of cash flows expected are less than the amortized cost:

	Amortized Cost Basis Before	Projected	OTTI	Amortized Cost Basis After		Reported in Statement
<u>CUSIP</u>	<u>Current OTTI</u>	<u>Cash Flows</u>	<u>Recognized</u>	<u>Current OTTI</u>	<u>Fair Value</u>	<u>Dated</u>
12669G-YP-0	\$234,540	\$223,540	\$11,403	\$223,540	\$223,540	09/30/2011
12669G-YP-0	\$219,053	\$203,505	\$15,548	\$203,505	\$203,505	12/31/2011

- (4) Aggregate values for securities with unrealized losses are:

	Gross Unrealized	
	<u>Losses</u>	<u>Fair Value</u>
Less than 12 months	\$47,386	\$2,267,371
12 months or longer	\$44,675	\$968,543

- (5) The Company uses information from several sources to evaluate impairments for other-than-temporary recognition. These categories include security ratings from nationally recognized statistical rating organizations, analysis of issuer financial condition, estimates of principal recovery, and ability to hold until recovery.

E. Repurchase Agreements – None to report.

F. Real Estate

- 1. The Company has no impairment losses on real estate.
- 2. The Company does not classify its real estate investments as held for sale.
- 3. The Company has no plans for the sale of its real estate.
- 4. The Company does not engage in retail land sales operations.

G. Investment in Low-income Housing Tax Credits – None to report.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Corporations

None to report.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:
All investment income due and accrued was excluded on investments that have amounts that are over 90 days past due.
- B. Total excluded - None to report.

8. Derivative Investments

None to report.

9. Income Taxes

A. 1. The components of the net DTA recognized in Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2011			December 31, 2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Total gross deferred tax assets	\$2,316,022	\$352,516	\$2,668,538	\$1,951,629	\$354,009	\$2,305,638	\$364,393	(\$1,493)	\$362,900
b. Statutory valuation allowance	0	0	0	0	0	0	0	0	0
c. Adjusted gross deferred tax assets	2,316,022	352,516	2,668,538	1,951,629	354,009	2,305,638	364,393	(1,493)	362,900
d. Total gross deferred tax liabilities	20,509	86,340	106,849	19,061	84,576	103,637	1,448	1,764	3,212
e. Net deferred tax asset (liability)	2,295,513	266,176	2,561,689	1,932,568	269,433	2,202,001	362,945	(3,257)	359,688
f. Deferred tax assets nonadmitted	530,676	266,176	796,852	716,045	269,433	985,478	(185,369)	(3,257)	(188,626)
g. Net admitted deferred tax asset	\$1,764,837	\$0	\$1,764,837	\$1,216,523	\$0	\$1,216,523	\$548,314	\$0	\$548,314
(Increase) decrease in nonadmitted asset			\$188,626			\$32,069			

2. The Company elected to admit additional DTAs pursuant to SSAP 10R, paragraph 10e in both 2011 and 2010.

3. The increased amount, by tax character, of admitted adjusted gross DTAs resulting from paragraph 10(e):

	December 31,	
	2011	2010
Ordinary	\$173,265	\$62,185
Capital	0	0
Total increase in admitted adjusted gross DTAs	\$173,265	\$62,185

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NOTES TO FINANCIAL STATEMENTS

4. The amount of each result or component of the calculation, by tax character, of paragraphs 10a., 10bi., 10bii., 10c.:

		December 31, 2011			December 31, 2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a.	Recovered through loss carrybacks (10a.)	\$0	\$0	\$0	\$238,444	\$0	\$238,444	(\$238,444)	\$0	(\$238,444)
b.	Lesser of: 10bi and 10bii below	1,591,572	0	1,591,572	915,894	0	915,894	675,678	0	675,678
c.	Expected to be recognized within one year (10bi.)	1,591,572	0	1,591,572	915,894	0	915,894	675,6758	0	675,678
d.	Ten percent of adjusted capital and surplus (10bii.)	XXX	XXX	1,760,948	XXX	XXX	1,890,027	XXX	XXX	(129,079)
e.	Adjusted gross DTAs offset against existing DTLs (10c.)	20,509	86,340	106,849	19,061	84,576	103,637	1,448	1,764	3,212
f.	Total (4a + 4b + 4e)	1,612,081	86,340	1,698,421	1,173,399	84,576	1,257,975	438,682	1,764	440,446

The amount of each result or component of the calculation, by tax character, of paragraphs 10ei., 10eii(a)., 10eii(b)., 10eiii.:

g.	Recovered through loss carrybacks (10ei.)	\$0	\$0	\$0	\$238,444	\$0	\$238,444	(\$238,444)	\$0	(\$238,444)
h.	Lesser of: 10eii(a) and 10eii(b) below	1,764,837	0	1,764,837	978,079	0	978,079	786,758	0	786,758
i.	Expected to be recognized within three years (10eii(a))	1,764,837	0	1,764,837	978,079	0	978,079	786,758	0	786,758
j.	Fifteen percent of adjusted capital and surplus (10eii(b))	XXX	XXX	2,641,422	XXX	XXX	2,835,041	XXX	XXX	(193,619)
k.	Adjusted gross DTAs offset against existing DTLs (10eiii)	20,509	86,340	106,849	19,061	84,576	103,637	1,448	1,764	3,212
l.	Total (4g + 4h + 4k)	1,785,346	86,340	1,871,686	1,235,584	84,576	1,320,160	549,762	1,764	551,526

Risk-based capital level used in paragraph 10d.:

m.	Total adjusted capital	XXX	XXX	20,104,760	XXX	XXX	21,096,916	XXX	XXX	(992,156)
n.	Authorized control level	XXX	XXX	2,504,655	XXX	XXX	2,325,259	XXX	XXX	179,396

5. Impact of tax planning strategies:

		December 31, 2011			
		Ordinary Percent	Capital Percent	Total	Percent
a.	Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%		0%
b.	Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%		0%

6. The following amounts resulting from the calculation in paragraphs 10a., 10b., and 10c.:

		December 31, 2011			December 31, 2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a.	Admitted DTAs	\$1,591,572	\$0	\$1,591,572	\$1,154,338	\$0	\$1,154,338	\$437,234	\$0	\$437,234
b.	Admitted Assets	XXX	XXX	56,364,482	XXX	XXX	56,723,522	XXX	XXX	(359,040)
c.	Adjusted Statutory Surplus *	XXX	XXX	17,609,478	XXX	XXX	18,900,271	XXX	XXX	(1,290,793)
d.	Total Adjusted capital	XXX	XXX	20,104,760	XXX	XXX	21,096,916	XXX	XXX	(992,156)

* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with paragraph 10bii.

Increases resulting from the calculation in paragraphs 10e.:

e.	Admitted DTAs	173,265	0	173,265	62,185	0	62,185	111,080	0	111,080
f.	Admitted Assets	173,265	0	173,265	62,185	0	62,185	111,080	0	111,080
g.	Statutory Surplus	173,265	0	173,265	62,185	0	62,185	111,080	0	111,080

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B. Unrecognized DTL’s

Not applicable.

C. Current Tax and Change in Deferred Tax

1. The provisions for income taxes incurred on earnings for the periods ended December 31, are:

- a. Federal
- b. Foreign
- c. Subtotal
- e. Federal tax on realized capital gains
- f. Utilization of capital loss carry-forwards
- g. Federal and foreign income taxes incurred

2011	2010	Change
(\$412,125)	\$49,849	(\$461,974)
0	0	\$0
(412,125)	49,849	(461,974)
95,746	52,983	\$42,763
0	0	0
(\$316,379)	\$102,832	(\$419,211)

2. Deferred tax assets

Ordinary:

- Discount on unpaid losses and LAE
- 20% of unearned premiums
- Fixed assets tax / book depreciation
- Accrued and deferred expenses
- Nonadmitted assets
- Net operating loss carry-forward
- Other ordinary DTA’s

- Subtotal
- Statutory valuation allowance
- Nonadmitted
- Admitted ordinary deferred tax assets

Capital:

- Net unrealized capital losses
- Partial impairments not currently recognized
- Other admitted capital DTA’s

- Subtotal
- Statutory valuation allowance
- Nonadmitted
- Admitted capital deferred tax assets

- Admitted deferred tax assets

December 31, 2011	December 31, 2010	Change
\$270,230	\$291,709	(\$21,479)
1,103,956	991,904	112,052
274,579	261,903	12,676
284,600	334,599	(49,999)
75,914	66,922	8,992
301,940	0	301,940
4,803	4,593	210
2,316,022	1,951,630	364,392
530,676	716,045	(185,369)
1,785,346	1,235,585	549,761
0	0	0
352,516	354,009	(1,493)
0	0	0
352,516	354,009	(1,493)
0	0	0
266,176	269,433	(3,257)
86,340	84,576	1,764
1,871,686	1,320,161	551,525

3. Deferred tax liabilities

- a. Ordinary:
 - Accrued dividends and bond market discount
 - Other
 - Subtotal
- b. Capital:
 - Net unrealized capital gains
 - Other
 - Subtotal

- Total deferred tax liabilities

- Net admitted deferred tax assets

December 31, 2011	December 31, 2010	Change
20,509	19,062	1,447
0	0	0
20,509	19,062	1,447
86,340	84,576	1,764
		0
86,340	84,576	1,764
106,849	103,638	3,211
\$1,764,837	\$1,216,523	\$548,314

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NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes is comprised of the following:

	December 31, 2011	December 31, 2010	Change
Total deferred tax assets	\$2,668,538	\$2,305,638	\$362,900
Total deferred tax liabilities	106,849	103,638	3,211
Net deferred tax asset	\$2,561,689	\$2,202,000	359,689
Tax effect of unrealized gains/losses			1,764
Change in net deferred income tax			\$361,453

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and effective income tax rate are as follows:

	December 31, 2011	Effective Tax Rate
Provision computed at statutory rate	(\$568,458)	34.0%
Tax exempt income deduction	(60,819)	3.6%
Change in nonadmitted assets	(8,992)	0.5%
Dividends received deduction	(26,711)	1.6%
Proration of tax exempt investment income	13,129	-0.8%
Disallowed travel and entertainment, donations	6,515	-0.4%
Taxes recovered from subsidiary and other	(23,188)	1.4%
Other	(9,231)	0.6%
Subsidiary income	(77)	0.0%
Total	(\$677,832)	40.5%
Federal income taxes incurred	(316,379)	18.9%
Change in deferred income taxes	(361,453)	21.6%
Total statutory income taxes	(677,832)	40.5%

E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2011, the Company had unused operating loss carry-forwards of approximately \$888,060 available to offset against future taxable income.
- (2) The following income tax expense for 2011 and 2010 is available for recoupment in the event of future net losses:

Year	Amount
2011	\$0
2010	\$0

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NOTES TO FINANCIAL STATEMENTS

(3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. The Company consolidates its federal income tax return with its wholly owned subsidiary, First Ohio Financial Corporation. All federal income taxes due or recoverable are the responsibility of National Mutual Insurance Company.

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B. & C. The National Mutual Insurance Company is the pooling company for the Celina Insurance Group Property & Casualty Pool, and through service and cost sharing agreements, provides all staff to operate each of the individual member companies of the Celina Insurance Group.

Other than reinsurance transactions and cost allocation transactions based on generally accepted accounting principles and non-insurance transactions that were less than ½ of 1% of total admitted assets, no reportable transactions with affiliates occurred during the statement periods.

D. Inter-company receivables and payables are the result of various transactions between the Company and its affiliates where settlement has not yet occurred. The Company reported the following balances at December 31, 2011 and 2010.

Receivable (Payable) with:	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Celina Mutual Insurance Company	\$371,838	\$930,040
Miami Mutual Insurance Company	420,186	664,094
West Virginia Farmers Mut. Ins. Assoc.	<u>152,391</u>	<u>71,456</u>
Total Receivable	944,415	1,665,590
 First Ohio Financial Corp.	 (96,484)	 (106,877)
First Indiana Ins. Agency	 <u> </u>	 <u>(12,686)</u>
Total (Payable)	<u>(96,484)</u>	<u>(119,563)</u>
 Net Receivable (Payable)	 \$847,931	 \$1,546,027

The terms of settlement require these amounts to be settled within 45 days of the end of each quarter.

E. No guarantees or undertakings have been taken for the benefit of an affiliate or related party.

F. The Company has a service agreement with three affiliated property and casualty companies, The Celina Mutual Insurance Company, Miami Mutual Insurance Company, and West Virginia Farmers Mutual Insurance Association, whereby the Company provides sales, underwriting, claims, accounting, data processing, supervisory, administrative and investment management services to the affiliated companies. The affiliated companies reimburse National for the cost of the services.

G. The Company is affiliated with three property and casualty companies, The Celina Mutual Insurance Company, Miami Mutual Insurance Company, and West Virginia Farmers Mutual Insurance Association. The majority of the members of the Boards of Directors and executive officers serve in similar capacities for more than one of the companies.

H. The Company does not own shares of an upstream company.

I. The Company does not have an investment in an SCA entity whose carrying value exceeds 10% of the admitted assets of the Company

J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement period.

K. The Company does not have any investment in foreign insurance subsidiaries.

L. The company does not have any investment in a downstream noninsurance holding company.

11. Debt

None to report.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY
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Defined Contribution Plan

The Company and its affiliates participate in a qualified, noncontributory defined contribution pension plan, sponsored by The National Mutual Insurance Company, covering substantially all employees having one year of service and attained age 21. The Company makes annual contributions of 5.25% of each employee's compensation for employees under the age of 40 and 7% for those employees 40 and older. The Company's share of net expense, allocated using salary ratios, for the qualified pension plan was \$204,111 for 2011 and \$203,804 for 2010. At December 31, 2011 the fair value of the entire plan was \$10,770,797.

Liabilities include \$1,398,352 for certain current and former employees' supplemental compensation agreements.

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

- 1, 2, 3, 4 & 5. The Company is a mutual company and has no stock outstanding.
- 6. There are no restrictions placed on the Company's unassigned surplus.
- 7. There are no advances on surplus.
- 8. There is no stock of affiliated companies held for special purposes.
- 9. There are no balances held in special surplus funds.
- 10. The portion of unassigned funds (surplus) represented or (reduced) by unrealized gains and losses is \$175,842.
- 11. No surplus debentures or similar obligations exist.
- 12 & 13. No quasi-reorganization has taken place.

14. Contingencies

- A. The Company has no contingent commitments to report.
- B. The Company has received notification of various insurance company insolvencies and anticipates that they will result in an immaterial guaranty fund assessment against the company. A liability for future assessments has been charged to operations in the current period.
- C. The Company has no gain contingencies to report.
- D. The Company did not pay any amounts for claims related to extra contractual obligations, or for bad faith losses stemming from lawsuits, in either 2011 or 2010.
- E. Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.
- F. In both 2011 and 2010, the Company recognized other-than-temporary-impairments on its ownership of structured securities issued by Countrywide Financial

15. Leases

- A. The Company leases home office real estate with its affiliated companies. The Company's annual rent expense under a lease commencing on January 1, 1999 for a fifteen year term was \$124,440 per year in 2011 and 2010.

The Company also leases equipment and automobiles under various non-cancelable operating lease agreements that expire through December 2017. Rental expense for 2011 and 2010 was \$145,708 and \$133,123, respectively.

At January 1, 2012, the minimum aggregate rental commitments are approximately \$446,573. Future minimum aggregate rental payments for the five succeeding years are as follows:

<u>Year ending December 31</u>	<u>Operating Leases</u>
2012	188,284
2013	171,167
2014	38,499
2015	16,671
2016	16,671

- B. The Company has no lessor or leveraged leases.

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NOTES TO FINANCIAL STATEMENTS

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

None to report.

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

None to report.

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

None to report.

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

None to report.

20. Fair Value Measurements

Financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by Statement of Statutory Accounting Principle No. 100, Fair Value Measurements. Level 1 inputs in the hierarchy consist of unadjusted quoted prices for identical assets and liabilities in active markets. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 3 inputs consist of unobservable inputs (supported by little or no market activity) and reflect management’s best estimate of what hypothetical market participants would use to determine a transaction price at the reporting date.

A. (1) Assets Measured at Fair Value

<i>Description</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Preferred stock				
Industrial and Misc	0	0	0	0
Total preferred stock	0	0	0	0
Bonds				
Industrial and Misc		809,068	259,495	1,068,563
Total bonds	0	809,068	259,495	1,068,563
Common stock				
Industrial and Misc	5,330,488	85,200		5,415,688
Total common stock	5,330,488	85,200	0	5,415,688
Total assets at fair value	5,330,488	894,268	259,495	6,484,251

(2) Assets Measured at Fair Value Using Significant Unobservable Inputs (Level 3)

	Balance	Transfers	Transfers	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases, issuances, sales and settlements	Balance
	01/01/2011	In	Out				12/31/2011
RMBS	229,954	200, 000	(129,112)	(19,900)	(21,447)	0	259,495

Transfers into level 3 are made when NAIC designation changes require the security to be carried at fair value. Modeled prices are used when there is a lack of active trading in the security. Transfers out occur when there is active trading in the market for the security.

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NOTES TO FINANCIAL STATEMENTS

(3) Level 2 inputs are obtained from external pricing services, either Interactive Data or Pricing Direct. Level 3 inputs represent values for bonds which are not actively traded in the market. The carrying values reflect management’s best estimate of value at the reporting date. The characteristics of these bonds which were considered in determination of value are listed below.

CUSIP	23242MAD3	75970NAM9
Description	CWL 2006-S3 A4	RMAC 2005-2 AF5
Types of Underlying Loans	PRIME	SUBPRIME
Collateral	RMBS	RMBS
	ABS-HEL	ABS-HEL
Guarantees or other Credit Enhancements	FGIC	
Seniority Level	Senior	Senior
Year of Issue	6/1/2006	6/1/2005
Weighted-average Coupon Rate of the Underlying Loans	8.21%	5.93%
Weighted-average Maturity of the Underlying Loans (years)	10.42	21.08
Moody's Rating	C	Aaa
S&P Rating	D	Ba3
Fitch Rating		
Yield	8%	8%
Constant Default Rate for Underlying Loans 60+ days delinquent	100 CDR	90 CDR
Loss Severity for Underlying Loans 60+ days delinquent	100	60
Constant Default Rate for Underlying Loans < 60 days delinquent ramp	12 CDR - .05 CDR	14 CDR - .3 CDR
Loss Severity for Underlying Loans < 60 days delinquent ramp	100	40
Prepayment Rate	10 CPR	6 CPR
Top Geographic Concentrations of Underlying Loans (state and %)		
	CA 18.9	NY 45.1
	MI 8.7	FL 10.0
	FL 6.3	PA 5.8

21. Other Items

A. Extraordinary Items – None to report.

B. Troubled Debt Restructuring – None to report.

C. Assets in the amount of \$1,010,382 and \$1,000,886 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law. There were no compensating balances or collateral pledged.

D. At December 31, 2011 and 2010 the Company has admitted assets of \$10,237,117 and \$9,276,717, respectively, in agents’ balances and uncollected premiums. The Company routinely assesses the collectability of these receivables. Based on Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company’s financial condition.

E. Business Interruption Insurance Recoverable – None to report.

F. State Transferable Tax Credits – None to report.

G. Subprime Mortgage Related Risk Exposure

(1) The Company defines its subprime exposure as those investments where the underlying mortgage pools have the following characteristics calculated on a weighted average basis:

- First lien mortgages where borrowers have FICO scores less than 650
- First lien mortgages with loan-to-value ratios greater than 95%
- Second lien mortgages where borrowers have FICO scores less than 675
- Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650

As of December 31, 2011 the portfolio contains \$23,480 of unrealized losses from subprime mortgage backed securities resulting from changes in asset values. The Company continues to monitor delinquency rates of securities collateralized with subprime mortgages and the potential losses in comparison to expected recoveries.

(2) Direct exposure for investments in subprime mortgage loans – None to report.

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(3) Direct exposure through other investments:

	<u>Cost</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>OTTI</u>
Residential Mortgage Backed Securities	\$ 369,867	\$ 346,387	\$346,387	\$ 0

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage – None to report.

22. Events Subsequent

None to report. Subsequent events have been considered through February 8, 2012.

23. Reinsurance

(A) Unsecured Reinsurance Recoverable as of 12/31/2011:

The Company has an unsecured aggregate recoverable for losses, loss adjustment expenses and unearned premiums that exceeds 3% of prior reported surplus from the following reinsurers:

	<u>NAIC #</u>	<u>FEIN #</u>	<u>Amount</u>
Miami Mutual Insurance Company	16764	31-0671569	14,655,094
QBE Reinsurance Corp	10219	23-1641984	934,428

(B) Reinsurance Recoverable in Dispute

None to report.

(C) Reinsurance Assumed and Ceded

(1) The following table presents the maximum amount of return commission which would be due to or from reinsurers in the event all reinsurance contracts were canceled at December 31, 2011 with a return of the unearned premium reserve.

	<u>Assumed Premium Reserve</u>	<u>Reinsurance Commission Equity</u>	<u>Ceded Premium Reserve</u>	<u>Reinsurance Commission Equity</u>	<u>Net Premium Reserve</u>	<u>Commission Equity</u>
a. Affiliates	19,956,059	3,066,964	30,562,514	4,706,627	(10,606,455)	(1,639,663)
b. All other	<u>0</u>	<u>0</u>	<u>32,713</u>	<u>0</u>	<u>(32,713)</u>	<u>0</u>
c. Total	19,956,059	3,066,964	30,595,227	4,706,627	(10,639,168)	(1,639,663)

d. Direct Unearned Premium Reserve \$26,383,493

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as of 12/31/2011, as follows:

	<u>Reinsurance</u>			
	<u>Direct</u>	<u>Assumed</u>	<u>Ceded</u>	<u>Net</u>
Contingent	302,115	230,586	351,583	181,118
Sliding Scale Adjustments				
Other	<u>—</u>	<u>(286)</u>	<u>911</u>	<u>(1,197)</u>
Total	302,115	230,300	352,494	179,921

(D) Uncollectible Reinsurance

None to report.

(E) Commutation of Ceded Reinsurance

None to report.

(F) Retroactive Reinsurance

None to report.

(G) Reinsurance Accounted for as a Deposit

None to report.

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NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None to report.

25. Change in Incurred Losses and Loss Adjustment Expenses

The change in incurred losses and loss adjustment expenses attributable to insured events of prior years resulted in decreases in incurred losses of approximately \$1,345,000 in 2011 and \$833,000 in 2010. These changes resulted from ongoing revisions of reserve estimates as more facts become known, and from settlement amounts that differed from estimated liability amounts.

26. Inter-company Pooling Arrangements

National Mutual Insurance Company (National) acts as the lead company in the reinsurance pooling agreement with the affiliated companies listed below; each is shown with its pool participation percentages.

<u>NAIC #</u>	<u>Company</u>	
20176	Celina Mutual Insurance Company	36%
20184	National Mutual Insurance Company	34%
16764	Miami Mutual Insurance Company	30%

All lines of business are included in the pooling agreement and are ceded to National, the lead company. Facultative and umbrella reinsurance is ceded on an individual company basis to non-affiliated reinsurers prior to pooling. Premiums for excess of loss and catastrophe treaties, where all pool companies are named participants, are ceded to non-affiliated reinsurers by National after the initial assumption of pooled business. Ceded losses are specifically identified and recorded in each company and catastrophe losses ceded in excess of the aggregate retention are allocated to company based on subject incurred losses.

There are no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the lead company and corresponding entries on the assumed and ceded reinsurance schedules of other pool participants. At December 31, 2011, the Company recorded net balances of \$803,574 receivable from Celina, and \$428,553 payable to Miami for pooling of premiums, commissions, losses and loss adjustment expenses.

27. Structured Settlements

The Company has settled certain losses with annuities, on which claimants are payees, in settlement of claims under the Company's policies. The Company has obtained releases from the respective claimants, acknowledging that receipt of the structured settlement under each annuity is full payment of the claim. The Company has no contingent liability for these annuities since ownership has been transferred to another insurance company.

28. Health Care Receivables

None to report.

29. Participating Policies

None to report.

30. Premium Deficiency Reserves

The Company has determined it has no premium deficiency reserves and does not consider anticipated investment income in the calculation. The most recent calculation was performed as of 12/31/2011.

31. High Deductibles

None to report.

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

The Company does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

Yes (X) No ()

The Company's exposure to asbestos losses arises from the sale of general liability insurance.

The Company tries to estimate the full impact of asbestos exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience.

Asbestos related losses (including coverage dispute costs) for each of the five most recent calendar years, based upon the Company's current pool participation percentage, were as follows:

(1) Direct Basis

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
A. Beginning reserves:	0	0	0	0	1,700
B. Incurred losses and loss adjustment expenses:	7,418	(733)	0	2,743	4,933
C. Calendar year payments for losses and loss adjustment expenses:	7,418	(733)	0	1,042	2,383
D. Ending reserves:	0	0	0	1,700	4,250

(2) Assumed Reinsurance Basis

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
A. Beginning reserves:	0	0	0	0	0
B. Incurred losses and loss adjustment expenses:	0	0	0	0	0
C. Calendar year payments for losses and loss adjustment expenses:	0	0	0	0	0
D. Ending reserves:	0	0	0	0	0

(3) Net of Ceded Reinsurance Basis

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
A. Beginning reserves:	0	0	0	0	1,700
B. Incurred losses and loss adjustment expenses:	7,418	(733)	0	2,742	4,933
C. Calendar year payments for losses and loss adjustment expenses:	7,418	(733)	0	1,042	2,383
D. Ending reserves:	0	0	0	1,700	4,250

B. State the amount of ending reserves held for Bulk + IBNR included in A (Loss & LAE):

- | | |
|------------------------------------|------|
| 1. Direct Basis: | \$ 0 |
| 2. Assumed Reinsurance Basis | \$ 0 |
| 3. Net of Ceded Reinsurance Basis: | \$ 0 |

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

- | | |
|------------------------------------|------|
| 1. Direct Basis: | \$ 0 |
| 2. Assumed Reinsurance Basis | \$ 0 |
| 3. Net of Ceded Reinsurance Basis: | \$ 0 |

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?

Yes (X) No ()

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

The Company tries to estimate the full impact of environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

Environmental related losses (including coverage dispute costs) for each of the five most recent calendar years, based upon the Company's current pool participation percentage, were as follows:

(1) Direct Basis

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
A. Beginning reserves:	0	0	66,300	11,900	9,726
B. Incurred losses and loss adjustment expenses:	0	66,443	(23,164)	(721)	(2,959)
C. Calendar year payments for losses and loss adjustment expenses:	0	143	31,236	1,453	756
D. Ending reserves:	0	66,300	11,900	9,726	6,011

(2) Assumed Reinsurance Basis

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
A. Beginning reserves:	0	0	0	0	0
B. Incurred losses and loss adjustment expenses:	0	0	0	0	0
C. Calendar year payments for losses and loss adjustment expenses:	0	0	0	0	0
D. Ending reserves:	0	0	0	0	0

(3) Net of Ceded Reinsurance Basis

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
A. Beginning reserves:	0	0	66,300	11,900	9,726
B. Incurred losses and loss adjustment expenses:	0	66,443	(23,164)	(721)	(2,959)
C. Calendar year payments for losses and loss adjustment expenses:	0	143	31,236	1,453	756
D. Ending reserves:	0	66,300	11,900	9,726	6,011

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

1. Direct Basis: \$ 0
2. Assumed Reinsurance Basis \$ 0
3. Net of Ceded Reinsurance Basis: \$ 0

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

1. Direct Basis: \$ 0
2. Assumed Reinsurance Basis \$ 0
3. Net of Ceded Reinsurance Basis: \$ 0

34. Subscriber Savings Accounts

None to report.

35. Multiple Peril Crop Insurance

None to report.

36. Financial Guaranty Insurance

None to report.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

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 ☒ 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 ☒ 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 ☒

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.

12/31/2009

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.

12/31/2009

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).

06/16/2011

3.4

By what department or departments?
OHIO

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 ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

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?
4.12 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

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?
4.22 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

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	2	3
Name of Entity	NAIC Company Code	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 ☒

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 ☒

7.2

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

1	2
Nationality	Type of Entity

%

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BUFFAMANTE, WHIPPLE, BUTTAFARO, P.C.
130 SOUTH UNION STREET, SUITE 200
OLEAN, NY 14760
- 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 response 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?
PETER G. WICK
15800 BLUEMOUND ROAD, SUITE 400
BROOKFIELD, WI 53005-6069
ACTUARY ASSOCIATED WITH MILLIMAN INC.
- 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:
.....
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).
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 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 ☒
- 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

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 ☒ 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 ☒ 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 with the official duties of such person? Yes ☒ No ☐

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

20.11 To directors or other officers\$

20.12 To stockholders not officers\$

20.13 Trustees, supreme or grand (Fraternal Only)\$
- 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\$

20.22 To stockholders not officers\$

20.23 Trustees, supreme or grand (Fraternal Only)\$
- 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 ☒
- 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 ☒
- 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 ☐
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$

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 ☒ 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 ☒
- 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.\$
- 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 ☒
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☐ No ☐ N/A ☒
- 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 ☒

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

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 \$

25.22 Subject to reverse repurchase agreements \$

25.23 Subject to dollar repurchase agreements \$

25.24 Subject to reverse dollar repurchase agreements \$

25.25 Pledged as collateral \$

25.26 Placed under option agreements \$

25.27 Letter stock or other securities restricted as to sale \$

25.28 On deposit with state or other regulatory body \$1,010,382

25.29 Other \$

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 []
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
FIRST FINANCIAL BANK	225 N. MAIN STREET, CELINA, OHIO 45822

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 [] No [X]

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

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
109875	ASSET ALLOCATION & MANAGEMENT	30 NORTH LASALLE STREET, 35TH FLOOR, CHICAGO, IL 60602
104751	ZAZOVE & ASSOCIATES	940 SOUTHWOOD BLVD., SUITE 200, INCLINE VILLAGE, NV 89451

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 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	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	32,555,542	34,371,983	1,816,441
30.2 Preferred stocks	89,321	147,330	58,009
30.3 Totals	32,644,863	34,519,313	1,874,450

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair value rates were obtained from FT Interactive Data or Pricing Direct for bonds and preferred stocks. Fair values for two bonds were determined using a pricing model considering expected collections and security characteristics. Cost was considered to approximate fair value for short-term investments included in the bond amounts shown above.
- 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 [X] No []
- 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 [X] 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:
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$166,744

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
INSURANCE SERVICES OFFICE, INC. ....	.....109,447
.....

34.1 Amount of payments for legal expenses, if any?\$19,617

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
TAFT, STETTINIUS & HOLLISTER .....	.....11,391
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$2,296

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
NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES .....	.....2,095
.....

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

.....

.....

2.2

Premium Denominator

29,351,916

26,905,724

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

.....

.....

2.5

Reserve Denominator

28,297,063

27,456,149

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

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.

\$ _____

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

.....

16

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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?
Not applicable

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.
The company uses the RMS and AIR models to obtain estimates of probable maximum losses using a series of simulated tornado/hail storms encompassing a range of probable United States events. These analyses included an Occurrence Exceedance Probability (OEP) analysis and an average annual loss analysis. Concentrations of exposures with a higher potential exist in western and central Ohio and central Indiana.

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?
The Company maintains catastrophe protection for \$22 million of property losses. This program was 100% placed in 2011. A property aggregate cover is also in effect, providing \$2.75 million in protection, excess of a \$3.25 million retention, subject to a \$950,000 franchise deductible. This cover was 70% placed in 2011.

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 uninsured catastrophic loss.

7.1

Has this 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 ratio 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 []

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 common 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 affiliates 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,
(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
(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]
Yes [] No [X]
Yes [] No [X]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances 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 [X] No [] N/A []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other 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 asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses

\$

12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds

\$

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 [X] N/A []

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 the 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):

\$350,000

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.

3

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [X] No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
The Company and two affiliated companies participated in the Celina Insurance Group Property & Casualty Pool with National Mutual Insurance Company acting as the lead company. Facultative reinsurance was ceded on an individual company basis. The remaining premiums, after the facultative cessions, were ceded to the lead company who calculated and ceded the reinsurance premium to outside reinsurers for excess of loss and catastrophe reinsurance. The remaining net pooled premium was then assumed from the lead company based on each Company's share of the pool. Allocation of excess of loss and catastrophe premiums to a non-pool affiliate was made based on its percentage of subject premium to the total. Ceded losses are specifically identified and recorded in each company except for catastrophe reinsurance with an aggregate retention. Allocation of the aggregate retention and ceded loss in excess of the retention was prorated to company based on subject incurred losses.

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 [X]

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [X] 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:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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 - P art 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 accounts?

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 funds administered as of the reporting date.

\$

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

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)	30,900,415	25,848,687	22,948,130	21,807,804	21,956,070
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	25,571,498	21,619,098	19,301,558	17,351,864	16,623,243
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	40,872,205	39,759,176	39,019,015	37,535,133	39,115,847
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	590	460	625	725	928
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	97,344,708	87,227,422	81,269,328	76,695,526	77,696,088
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)	10,216,653	8,253,278	7,326,390	6,856,130	6,468,245
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	8,130,897	7,011,588	6,268,851	5,680,583	5,420,918
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	12,534,125	12,639,249	12,409,951	11,993,273	13,474,051
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	201	156	213	247	309
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	30,881,877	27,904,271	26,005,405	24,530,233	25,363,523
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(3,649,837)	(2,140,462)	(1,183,950)	(7,067)	1,734,368
14. Net investment gain or (loss) (Line 11)	1,472,890	1,605,208	1,512,215	1,075,571	1,850,911
15. Total other income (Line 15)	409,266	379,656	373,205	301,140	326,468
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(412,125)	49,849	188,082	120,092	1,152,541
18. Net income (Line 20)	(1,355,556)	(205,447)	513,387	1,249,551	2,759,206
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	56,537,747	56,785,707	53,694,974	50,483,307	50,155,046
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	3,982,352	3,647,360	5,008,677	4,347,732	3,192,690
20.2 Deferred and not yet due (Line 15.2)	6,254,766	5,629,356	4,592,068	3,972,861	4,806,104
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	36,259,722	35,688,791	33,176,212	31,978,930	30,588,864
22. Losses (Page 3, Line 1)	8,386,146	8,432,760	7,711,725	7,810,176	8,071,302
23. Loss adjustment expenses (Page 3, Line 3)	2,689,400	2,418,420	2,366,060	2,259,640	2,035,580
24. Unearned premiums (Page 3, Line 9)	15,744,325	14,214,364	13,215,817	12,312,583	12,131,492
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	20,278,025	21,096,916	20,518,762	18,504,377	19,566,183
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(2,098,344)	2,697,956	1,795,948	1,416,164	1,803,022
Risk-Based Capital Analysis					
28. Total adjusted capital	20,278,025	21,096,916	20,518,762	18,504,377	19,566,183
29. Authorized control level risk-based capital	2,513,318	2,325,259	2,296,162	2,182,701	2,461,125
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	80.7	75.5	78.2	80.5	78.2
31. Stocks (Lines 2.1 & 2.2)	13.9	13.3	12.1	12.5	12.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	4.2	4.1	4.7	5.5	5.6
34. Cash, cash equivalents and short-term investments (Line 5)	1.1	7.1	5.0	1.5	3.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			XXX	XXX	XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
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 (Schedule D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	102,286	125,980	126,459	119,851	110,924
45. Affiliated short-term investments (subtotals included in 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	102,286	125,980	126,459	119,851	110,924
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)	0.5	0.6	0.6	0.6	0.6

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)	(20,267)	428,547	633,798	(1,496,754)	(40,922)
51. Dividends to stockholders (Line 35)					
52. Change in surplus as regards policyholders for the year (Line 38)	(818,891)	578,154	2,014,385	(1,061,806)	2,841,820
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)	14,633,637	12,244,465	9,396,714	9,244,406	11,512,534
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	20,007,200	11,046,127	9,604,051	9,573,991	8,117,795
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	44,236,266	25,795,449	29,473,994	27,573,075	18,342,241
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					300
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)			10		69,173
58. Total (Line 35)	78,877,103	49,086,041	48,474,768	46,391,472	38,042,043
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)	4,936,365	4,130,285	3,189,332	2,997,066	4,210,795
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	5,148,684	3,656,494	3,094,969	3,070,226	2,699,053
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	9,783,977	8,491,884	8,536,323	7,535,167	6,095,679
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)		(3)	(1)		298
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)			4		69,173
64. Total (Line 35)	19,869,026	16,278,659	14,820,627	13,602,458	13,074,997
Operating Percentages (Page 4) (Line 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)	67.5	63.2	58.6	54.9	45.3
67. Loss expenses incurred (Line 3)	9.1	8.9	9.5	9.4	9.1
68. Other underwriting expenses incurred (Line 4)	35.8	35.8	36.6	35.8	38.5
69. Net underwriting gain (loss) (Line 8)	(12.4)	(8.0)	(4.7)	0.0	7.1
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)	32.7	33.2	33.9	34.2	35.8
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	76.7	72.1	68.2	64.3	54.4
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)	152.3	132.3	126.7	132.6	129.6
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)	(987)	(642)	(1,069)	(1,264)	(1,310)
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)	(4.7)	(3.1)	(5.8)	(6.5)	(7.8)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(1,274)	(1,519)	(2,098)	(1,761)	(1,292)
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)	(6.2)	(8.2)	(10.7)	(10.5)	(9.4)

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:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

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
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				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	57	2	14	2	4		4	70	XXX
2. 2002.....	24,788	4,017	20,771	16,489	2,512	377	23	1,622	19	502	15,934	XXX
3. 2003.....	24,811	3,543	21,268	12,703	1,303	301	3	1,615	2	452	13,311	XXX
4. 2004.....	24,615	3,169	21,446	10,311	724	410	40	1,625	16	423	11,567	XXX
5. 2005.....	25,845	2,463	23,383	12,262	1,561	403	13	1,683	10	443	12,764	XXX
6. 2006.....	26,354	2,459	23,895	13,291	1,750	320	46	1,647	4	467	13,457	XXX
7. 2007.....	26,321	1,913	24,408	11,280	240	219	1	1,547		447	12,805	XXX
8. 2008.....	26,226	1,915	24,311	16,682	3,003	290	5	1,865	108	525	15,720	XXX
9. 2009.....	27,100	1,998	25,102	16,157	1,393	255		1,889	79	474	16,829	XXX
10. 2010.....	29,028	2,123	26,906	16,221	499	144		1,776	11	549	17,631	XXX
11. 2011.....	31,844	2,492	29,352	22,890	7,057	58	23	2,088	329	500	17,625	XXX
12. Totals	XXX	XXX	XXX	148,343	20,046	2,790	155	17,358	578	4,786	147,712	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior.....	487	75	418									831	XXX
2. 2002.....	1											1	XXX
3. 2003.....	40		(3)				5		5		3	47	XXX
4. 2004.....	77	43	(2)				9		4		5	46	XXX
5. 2005.....	30		9				34		15		7	87	XXX
6. 2006.....	13		22				37		16		10	88	XXX
7. 2007.....	137		27				44		78		12	286	XXX
8. 2008.....	202		71	15			136	14	56		22	437	XXX
9. 2009.....	375		218	61			211	12	158		49	889	XXX
10. 2010.....	1,151	7	595	214			284	56	390		136	2,142	XXX
11. 2011.....	3,683	551	2,939	1,137			609	99	778		395	6,222	XXX
12. Totals	6,196	675	4,294	1,428			1,369	180	1,501		639	11,076	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	27	28	29	30	31	32	33	Inter- Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	831	
2. 2002.....	18,489	2,554	15,935	74.6	63.6	76.7			34.0	1	
3. 2003.....	14,667	1,309	13,358	59.1	36.9	62.8			34.0	37	10
4. 2004.....	12,435	.822	11,613	50.5	25.9	54.1			34.0	33	13
5. 2005.....	14,435	1,583	12,851	55.9	64.3	55.0			34.0	38	49
6. 2006.....	15,346	1,800	13,546	58.2	73.2	56.7			34.0	35	54
7. 2007.....	13,333	242	13,091	50.7	12.6	53.6			34.0	164	122
8. 2008.....	19,302	3,145	16,157	73.6	164.2	66.5			34.0	258	179
9. 2009.....	19,263	1,545	17,718	71.1	77.3	70.6			34.0	532	357
10. 2010.....	20,559	.787	19,772	70.8	37.1	73.5			34.0	1,524	617
11. 2011.....	33,044	9,197	23,847	103.8	369.1	81.2			34.0	4,934	1,288
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	8,386	2,689

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.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE NATIONAL MUTUAL INSURANCE COMPANY

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior.....	3,821	3,774	3,917	4,278	4,452	4,302	4,230	4,191	4,177	4,172	(5)	(19)
2. 2002.....	14,645	14,291	14,349	14,238	14,213	14,335	14,327	14,321	14,328	14,331	3	10
3. 2003.....	XXX	12,985	12,324	12,003	11,898	11,710	11,730	11,737	11,752	11,740	(12)	3
4. 2004.....	XXX	XXX	11,140	10,630	10,435	10,169	10,070	10,052	10,046	10,000	(47)	(53)
5. 2005.....	XXX	XXX	XXX	12,179	11,650	11,520	11,455	11,251	11,180	11,163	(17)	(88)
6. 2006.....	XXX	XXX	XXX	XXX	13,071	12,373	12,144	12,018	11,976	11,887	(89)	(131)
7. 2007.....	XXX	XXX	XXX	XXX	XXX	12,859	12,047	11,598	11,556	11,466	(89)	(132)
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	14,998	14,763	14,469	14,344	(125)	(420)
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,195	16,003	15,750	(253)	(445)
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,972	17,618	(355)	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,311	XXX	XXX
12. Totals											(987)	(1,274)

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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior.....	.000	1,270	2,231	2,814	3,008	3,146	3,217	3,284	3,275	3,341	XXX	XXX
2. 2002.....	9,998	12,279	13,358	13,770	13,962	14,166	14,319	14,326	14,330	14,330	XXX	XXX
3. 2003.....	XXX	8,720	10,562	11,116	11,377	11,572	11,614	11,628	11,681	11,698	XXX	XXX
4. 2004.....	XXX	XXX	6,498	8,604	9,362	9,834	9,929	9,944	9,957	9,958	XXX	XXX
5. 2005.....	XXX	XXX	XXX	7,444	9,630	10,365	10,858	11,020	11,081	11,091	XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX	8,271	10,582	11,222	11,632	11,743	11,815	XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX	8,561	10,432	10,882	11,149	11,258	XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	10,561	12,928	13,669	13,963	XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,687	14,242	15,020	XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,860	15,866	XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,867	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.....	1,290	667	434	416	487	419	370	372	405	418
2. 2002.....	2,014	632	307	182	51	36	(7)	(5)	(3)	
3. 2003.....	XXX	2,033	835	347	167	27	7	1	(3)	2
4. 2004.....	XXX	XXX	2,249	803	397	163	71	38	20	7
5. 2005.....	XXX	XXX	XXX	2,102	738	458	291	144	78	43
6. 2006.....	XXX	XXX	XXX	XXX	2,145	838	418	201	116	60
7. 2007.....	XXX	XXX	XXX	XXX	XXX	2,359	886	287	160	71
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	2,105	911	340	179
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,176	748	355
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,072	608
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,311

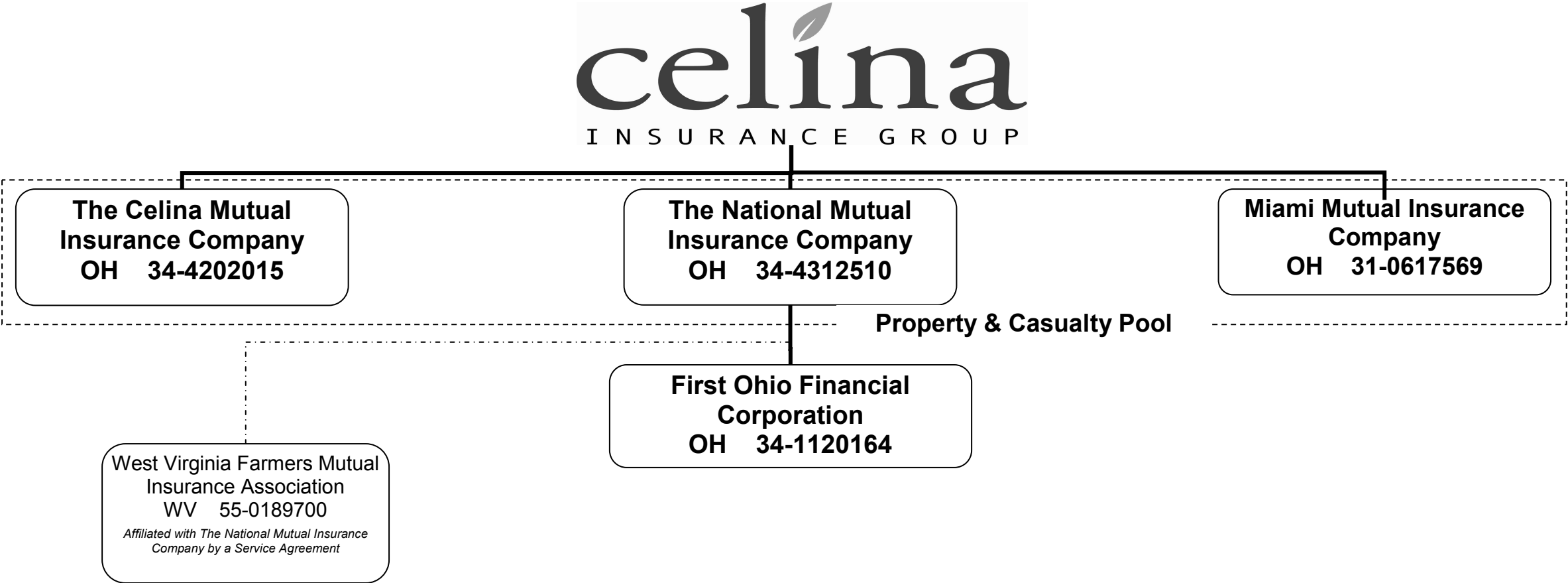
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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 (Included in Column 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	16,880,286	15,933,098	10,458,855	10,469,583	2,878,177	250,228	
16. Iowa	IA	L	2,773,572	1,463,526	1,212,917	1,359,101	171,559	27,544	
17. Kansas	KS	N							
18. Kentucky	KY	L							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
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	21,914,279	21,096,958	18,655,999	19,503,822	6,449,264	337,865	
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	L			4,621	22,372	25,798		
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	L	11,960,855	10,086,926	16,527,083	19,090,043	4,835,360	176,585	
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. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien ..	OT	XXX							
59. Totals	(a) 6	53,528,992	48,580,508		46,859,475	50,444,921	14,360,159	792,222	
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX								

(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.
Actual premiums entered for all coverages by location of risk or address of insured, whichever is applicable.
(a) Insert the number of L responses except for Canada and Other Alien.

Schedule Y – Information Concerning Activities of Insurer Members Of a Holding Company Group
Part 1 – Organization Chart



NONE

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