



ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

Safe Auto Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period)	NAIC Company Code..... 25405	Employer's ID Number..... 31-1379882
Organized under the Laws of OHIO	State of Domicile or Port of Entry OHIO	Country of Domicile US
Incorporated/Organized..... May 28, 1993	Commenced Business..... August 25, 1993	
Statutory Home Office	4 Easton Oval..... Columbus OH 43219 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	4 Easton Oval..... Columbus OH 43219 (Street and Number) (City or Town, State and Zip Code)	614-231-0200 (Area Code) (Telephone Number)
Mail Address	4 Easton Oval..... Columbus OH 43219 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	4 Easton Oval..... Columbus OH 43219 (Street and Number) (City or Town, State and Zip Code)	614-231-0200 (Area Code) (Telephone Number)
Internet Web Site Address	www.safeauto.com	614-944-7701 (Area Code) (Telephone Number) (Extension)
Statutory Statement Contact	Melinda S Fry (Name) melinda.fry@safeauto.com (E-Mail Address)	614-559-5357 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Jon P Diamond	President	2. Mark LeMaster	Secretary & Sr. Vice President
3. Greg A Sutton	Chief Financial Officer	4. Ari Deshe	Chairman & CEO

Thomas Boyd	Vice President	Pamela Kremer	Vice President
Todd E Friedman	Vice President	April D Miller	Sr. Vice President
Vic Johnson	Sr. Vice President	Mary M Lorms	Vice President
Jack H Coolidge	Sr. Vice President	Kristin Watkins	Vice President
John Elias	Vice President	Shane Switzer	Vice President
Ralph L Phillips III	Vice President	Grace Strahl	Vice President
Tim Collins	Asst. Vice President	Terry Gusler	Vice President
Thomas Happensack	Vice President and Controller	Guy Fulcher	Sr. Vice President
Chris Parks	Vice President		

DIRECTORS OR TRUSTEES

Charles Bryan	Ari Deshe	Jon P Diamond	Oded Gur-Arie
Ralph A Kaparos	James Schultz		

State of..... Ohio
County of.... Franklin

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

(Signature) Jon P Diamond	(Signature) Mark LeMaster	(Signature) Greg A Sutton
1. (Printed Name) President	2. (Printed Name) Secretary & Sr. Vice President	3. (Printed Name) Chief Financial Officer
(Title)	(Title)	(Title)

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

a. Is this an original filing?
b. If no 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes [X] No []

Annual Statement for the year 2011 of the **Safe Auto 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).....	230,421,793		230,421,793	293,322,720
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	21,919,131		21,919,131	18,285,385
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	3,334,511		3,334,511	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	33,223,180		33,223,180	32,160,183
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....4,253,683, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$....19,876,870, Sch. DA).....	24,130,552		24,130,552	15,191,349
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	1,430,000		1,430,000	
9. Receivables for securities.....	1,500,198		1,500,198	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	315,959,365	0	315,959,365	358,959,638
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,708,919		1,708,919	2,495,185
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	14,451,086		14,451,086	16,375,403
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	41,011,646		41,011,646	46,335,287
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	1,637,620
18.2 Net deferred tax asset.....	11,056,482		11,056,482	14,154,347
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	12,079,726	9,143,285	2,936,441	2,529,251
21. Furniture and equipment, including health care delivery assets (\$.....0).....	3,316,838	3,316,838	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	5,599,527		5,599,527	135,249
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	9,096,206	1,393,902	7,702,304	7,291,124
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	414,279,795	13,854,025	400,425,770	449,913,104
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	414,279,795	13,854,025	400,425,770	449,913,104

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Corporate owned life insurance.....	3,416,609		3,416,609	3,210,380
2502. Deferred compensation life insurance.....	2,983,560		2,983,560	2,689,279
2503. License/maintenance agreements (prepaid).....	2,249,355	1,272,854	976,501	827,286
2598. Summary of remaining write-ins for Line 25 from overflow page.....	446,682	121,048	325,634	564,179
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	9,096,206	1,393,902	7,702,304	7,291,124

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	97,700,791	119,153,011
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	36,660,999	36,711,003
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	6,663,711	7,186,266
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	3,953,158	4,929,333
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$....150,000 and interest thereon \$.....0.....	150,000	150,000
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	71,635,184	79,783,051
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....	34,000,000	
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
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.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	3,201,551	5,466,340
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	6,891,054	14,186,629
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	260,856,448	267,565,633
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	260,856,448	267,565,633
29. Aggregate write-ins for special surplus funds.....	0	2,981,655
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	41,400,000	41,400,000
35. Unassigned funds (surplus).....	95,669,322	135,465,816
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	139,569,322	182,347,471
38. TOTALS (Page 2, Line 28, Col. 3).....	400,425,770	449,913,104

DETAILS OF WRITE-INS

2501. Funds set aside for escheatment.....	2,624,643	2,523,486
2502. Executive deferred compensation payable.....	3,026,836	2,750,025
2503. Self-insured medical plan.....	490,356	563,205
2598. Summary of remaining write-ins for Line 25 from overflow page.....	749,219	8,349,913
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	6,891,054	14,186,629
2901. Additional admitted deferred tax assets.....		2,981,655
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	2,981,655
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	303,001,201	336,274,851
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	154,541,726	180,280,754
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	40,051,087	39,995,235
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	126,732,315	132,523,813
5. Aggregate write-ins for underwriting deductions.....	.0	.0
6. Total underwriting deductions (Lines 2 through 5).....	321,325,128	352,799,802
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(18,323,927)	(16,524,951)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	9,601,877	10,739,549
10. Net realized capital gains (losses) less capital gains tax of \$.994,516 (Exhibit of Capital Gains (Losses)).....	1,651,599	3,244,647
11. Net investment gain (loss) (Lines 9 + 10).....	11,253,476	13,984,196
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....3,986,708).....	(3,986,708)	(6,281,387)
13. Finance and service charges not included in premiums.....	29,779,481	32,742,695
14. Aggregate write-ins for miscellaneous income.....	1,661,225	2,082,623
15. Total other income (Lines 12 through 14).....	27,453,998	28,543,931
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	20,383,547	26,003,176
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).....	20,383,547	26,003,176
19. Federal and foreign income taxes incurred.....	505,598	6,207,966
20. Net income (Line 18 minus Line 19) (to Line 22).....	19,877,949	19,795,210
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	182,347,472	171,167,877
22. Net income (from Line 20).....	19,877,949	19,795,210
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.(43,428).....	(80,651)	471,774
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(3,141,293)	2,980,872
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	1,565,845	(3,568,262)
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).....		1,000,000
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		(1,000,000)
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(61,000,000)	(8,500,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	.0	.0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(42,778,150)	11,179,594
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	139,569,322	182,347,472

DETAILS OF WRITE-INS

0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.0	.0
1401. Miscellaneous income.....	1,661,225	2,082,623
1402.....		
1403.....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	1,661,225	2,082,623
3701. Additional admitted deferred tax assets.....		2,190,488
3702. Reclassification of additional admitted deferred tax assets to special surplus funds.....		(2,190,488)
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	.0	.0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	.0	.0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	302,101,292	334,474,116
2. Net investment income.....	13,291,702	14,000,883
3. Miscellaneous income.....	27,453,998	28,543,931
4. Total (Lines 1 through 3).....	342,846,992	377,018,930
5. Benefit and loss related payments.....	175,993,946	182,617,473
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	168,332,136	169,010,612
7. Commissions, expenses paid and aggregate write-ins for deductions.....	.....	.....
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$ 994,516 tax on capital gains (losses).....	(137,506)	9,307,110
10. Total (Lines 5 through 9).....	344,188,576	360,935,195
11. Net cash from operations (Line 4 minus Line 10).....	(1,341,584)	16,083,735
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	137,144,580	166,490,799
12.2 Stocks.....	3,931,138	12,331,007
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	397	(10,568)
12.7 Miscellaneous proceeds.....	.....	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	141,076,115	178,811,238
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	73,785,544	173,571,760
13.2 Stocks.....	7,599,569	21,746,252
13.3 Mortgage loans.....	3,334,511	.....
13.4 Real estate.....	1,868,332	1,877,218
13.5 Other invested assets.....	1,430,000	.....
13.6 Miscellaneous applications.....	1,500,198	649,961
13.7 Total investments acquired (Lines 13.1 to 13.6).....	89,518,154	197,845,191
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	51,557,961	(19,033,953)
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.....	27,000,000	8,500,000
16.6 Other cash provided (applied).....	(14,277,175)	1,594,465
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(41,277,175)	(6,905,535)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	8,939,202	(9,855,752)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	15,191,349	25,047,102
19.2 End of year (Line 18 plus Line 19.1).....	24,130,552	15,191,349

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

20.0001
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Safe Auto Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....				..0
2. Allied lines.....				0
3. Farmowners multiple peril.....				0
4. Homeowners multiple peril.....				0
5. Commercial multiple peril.....				0
6. Mortgage guaranty.....				0
8. Ocean marine.....				0
9. Inland marine.....				0
10. Financial guaranty.....				0
11.1 Medical professional liability - occurrence.....				0
11.2 Medical professional liability - claims-made.....				0
12. Earthquake.....				0
13. Group accident and health.....				0
14. Credit accident and health (group and individual).....				0
15. Other accident and health.....				0
16. Workers' compensation.....				0
17.1 Other liability - occurrence.....				0
17.2 Other liability - claims-made.....				0
17.3 Excess workers' compensation.....				0
18.1 Products liability - occurrence.....				0
18.2 Products liability - claims-made.....				0
19.1, 19.2 Private passenger auto liability.....	.214,980,825	.57,779,403	52,266,668	.220,493,560
19.3, 19.4 Commercial auto liability.....				0
21. Auto physical damage.....	.79,872,509	22,003,648	19,368,516	82,507,641
22. Aircraft (all perils).....				0
23. Fidelity.....				0
24. Surety.....				0
26. Burglary and theft.....				0
27. Boiler and machinery.....				0
28. Credit.....				0
29. International.....				0
30. Warranty.....				0
31. Reinsurance - nonproportional assumed property.....				0
32. Reinsurance - nonproportional assumed liability.....				0
33. Reinsurance - nonproportional assumed financial lines.....				0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	.294,853,334	.79,783,051	71,635,184	.303,001,201

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1A - RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....					0
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....					0
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....					0
17.2 Other liability - claims-made.....					0
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....					0
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....		52,266,668			52,266,668
19.3, 19.4 Commercial auto liability.....		19,368,516			19,368,516
21. Auto physical damage.....					0
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	71,635,184	0	0	0	71,635,184
36. Accrued retrospective premiums based on experience.....					0
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					71,635,184

DETAILS OF WRITE-INS

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

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

Safe Auto Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....						0
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....						0
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	214,980,825					214,980,825
19.3, 19.4 Commercial auto liability.....						0
21. Auto physical damage.....	79,979,509				107,000	79,872,509
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	294,960,334	0	0	0	107,000	294,853,334

DETAILS OF WRITE-INS

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0				0
2. Allied lines.....				0				0
3. Farmowners multiple peril.....				0				0
4. Homeowners multiple peril.....				0				0
5. Commercial multiple peril.....				0				0
6. Mortgage guaranty.....				0				0
8. Ocean marine.....				0				0
9. Inland marine.....				0				0
10. Financial guaranty.....				0				0
11.1 Medical professional liability - occurrence.....				0				0
11.2 Medical professional liability - claims-made.....				0				0
12. Earthquake.....				0				0
13. Group accident and health.....				0				0
14. Credit accident and health (group and individual).....				0				0
15. Other accident and health.....				0				0
16. Workers' compensation.....				0				0
17.1 Other liability - occurrence.....				0				0
17.2 Other liability - claims-made.....				0				0
17.3 Excess workers' compensation.....				0				0
18.1 Products liability - occurrence.....				0				0
18.2 Products liability - claims-made.....				0				0
19.1, 19.2 Private passenger auto liability.....	130,202,724			130,202,724	94,514,744	111,717,976	112,999,492	51.2
19.3, 19.4 Commercial auto liability.....		45,791,222			45,791,222	3,186,047	7,435,035	41,542,234
21. Auto physical damage.....	45,791,222							50.3
22. Aircraft (all perils).....				0				0
23. Fidelity.....				0				0
24. Surety.....				0				0
26. Burglary and theft.....				0				0
27. Boiler and machinery.....				0				0
28. Credit.....				0				0
29. International.....				0				0
30. Warranty.....				0				0
31. Reinsurance - nonproportional assumed property.....	XXX			0				0
32. Reinsurance - nonproportional assumed liability.....	XXX			0				0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0				0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0
35. TOTALS.....	175,993,946	0	0	175,993,946	97,700,791	119,153,011	154,541,726	51.0

DETAILS OF WRITE-INS

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

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

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				0				0	
2. Allied lines.....				0				0	
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....				0				0	
5. Commercial multiple peril.....				0				0	
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....				0				0	
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a) 0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				(a) 0	
16. Workers' compensation.....				0				0	
17.1 Other liability - occurrence.....				0				0	
17.2 Other liability - claims-made.....				0				0	
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....				0				0	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	81,002,482			81,002,482	13,512,262			94,514,744	35,193,361
19.3, 19.4 Commercial auto liability.....				0				0	
21. Auto physical damage.....	2,076,597			2,076,597	1,109,450			3,186,047	1,467,638
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....				0				0	
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX.			0	XXX.			0	
32. Reinsurance - nonproportional assumed liability.....	XXX.			0	XXX.			0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX.			0	XXX.			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	83,079,079	0	0	83,079,079	14,621,712	0	0	97,700,791	36,660,999

DETAILS OF WRITE-INS

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

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

Safe Auto Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	10,445,277			10,445,277
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	10,445,277	0	0	10,445,277
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		45,854,728		45,854,728
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....				0
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	45,854,728	0	45,854,728
3. Allowances to manager and agents.....				0
4. Advertising.....		6,223,890		6,223,890
5. Boards, bureaus and associations.....	253,872	186,729		440,601
6. Surveys and underwriting reports.....	1,280	6,469,714		6,470,994
7. Audit of assureds' records.....	36,976	144,294		181,270
8. Salary and related items:				
8.1 Salaries.....	18,003,818	29,319,124		47,322,942
8.2 Payroll taxes.....	1,520,954	2,552,001		4,072,955
9. Employee relations and welfare.....	2,418,615	3,769,826		6,188,441
10. Insurance.....	158,411	307,946		466,357
11. Directors' fees.....	41,399	127,578		168,977
12. Travel and travel items.....	696,056	437,709		1,133,765
13. Rent and rent items.....	447,620	1,853,454		2,301,074
14. Equipment.....	75,903	151,636		227,539
15. Cost or depreciation of EDP equipment and software.....	2,023,629	3,853,957		5,877,586
16. Printing and stationery.....	178,815	987,930		1,166,745
17. Postage, telephone and telegraph, exchange and express.....	584,476	6,460,927		7,045,403
18. Legal and auditing.....	773,025	446,737	470,474	1,690,236
19. Totals (Lines 3 to 18).....	27,214,849	63,293,452	470,474	90,978,775
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		6,187,135		6,187,135
20.2 Insurance department licenses and fees.....	28,263	490,493		518,756
20.3 Gross guaranty association assessments.....		209,423		209,423
20.4 All other (excluding federal and foreign income and real estate).....		133,271		133,271
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	28,263	7,020,322	0	7,048,585
21. Real estate expenses.....				0
22. Real estate taxes.....			160,964	160,964
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	2,362,698	10,563,813	0	12,926,511
25. Total expenses incurred.....	40,051,087	126,732,315	631,438	(a) 167,414,840
26. Less unpaid expenses - current year.....	36,660,998	46,638,831		83,299,829
27. Add unpaid expenses - prior year.....	36,711,003	15,571,218		52,282,221
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	40,101,092	95,664,702	631,438	136,397,232

DETAILS OF WRITE-INS

2401. Bank charges.....	5,951	3,042,587		3,048,538
2402. Hardware & software maintenance.....	1,360,330	2,221,923		3,582,253
2403. Utilities.....	86,834	443,003		529,837
2498. Summary of remaining write-ins for Line 24 from overflow page.....	909,583	4,856,300	0	5,765,883
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	2,362,698	10,563,813	0	12,926,511

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

Safe Auto Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....962,160	.....905,051
1.1 Bonds exempt from U.S. tax.....	(a).....3,728,330	.....3,246,738
1.2 Other bonds (unaffiliated).....	(a).....4,597,635	.....4,339,184
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....430,717	.....447,514
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....145,699	.....145,699
4. Real estate.....	(d).....1,893,440	.....1,893,440
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....24,634	.....24,502
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....36,525	.....36,525
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....11,819,141	.....11,038,652
11. Investment expenses.....	(g).....631,438	.....
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).....805,337	.....
15. Aggregate write-ins for deductions from investment income.....	.....0	.....
16. Total deductions (Lines 11 through 15).....	.....	.....1,436,775
17. Net investment income (Line 10 minus Line 16).....	.....	.....9,601,877

DETAILS OF WRITE-INS

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

(a) Includes \$....85,722 accrual of discount less \$....2,183,944 amortization of premium and less \$....76,189 paid for accrued interest on purchases.

(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.

(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(d) Includes \$....1,893,440 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.

(e) Includes \$....7,734 accrual of discount less \$....628 amortization of premium and less \$.....0 paid for accrued interest on purchases.

(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.

(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.

(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.

(i) Includes \$....805,337 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	287,572	.....	287,572	.....	.....
1.1 Bonds exempt from U.S. tax.....	1,082,715	.....	1,082,715	.....	.....
1.2 Other bonds (unaffiliated).....	1,271,704	(340,093)	931,611	.....254,428	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	343,822	.....	343,822	(378,507)	.....
2.21 Common stocks of affiliates.....	.....	.....	0	.....	.....
3. Mortgage loans.....	.....	.....	0	.....	.....
4. Real estate.....	.....	.....	0	.....	.....
5. Contract loans.....	.....	.....	0	.....	.....
6. Cash, cash equivalents and short-term investments.....	397	.....	397	.....	.....
7. Derivative instruments.....	.....	.....	0	.....	.....
8. Other invested assets.....	.....	.....	0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	2,986,210	(340,093)	2,646,117	(124,079)	0

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	9,143,285	10,230,094	1,086,809
21. Furniture and equipment, including health care delivery assets.....	3,316,838	3,529,457	212,619
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	1,393,902	1,660,319	266,417
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	13,854,025	15,419,870	1,565,845
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	13,854,025	15,419,870	1,565,845

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid expenses.....	.63,966	.58,481	(5,485)
2502. Security deposits.....		3,133	3,133
2503. License/maintenance agreements (prepaid).....	1,272,854	1,506,080	233,226
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.57,082	.92,625	.35,543
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,393,902	1,660,319	266,417

NOTES TO FINANCIAL STATEMENTS**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices**

1. The accompanying financial statements of Safe Auto Insurance Company ("the Company") have been prepared on the basis of accounting practices prescribed or permitted by the Insurance Department of the State of Ohio. The Insurance Department of the State of Ohio recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

	2011	2010
(1) Net income Ohio basis	\$ 19,877,949	\$ 19,795,210
(2) State prescribed practices	-	-
(3) State permitted practices	-	-
(4) Net income, NAIC SAP	<u>\$ 19,877,949</u>	<u>\$ 19,795,210</u>
(5) Statutory surplus Ohio basis	\$ 139,569,322	\$ 182,347,472
(6) State prescribed practices	-	-
(7) State permitted practices	-	-
(8) Statutory surplus, NAIC SAP	<u>\$ 139,569,322</u>	<u>\$ 182,347,472</u>

B. Use of Estimates

1. The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts in these financial statements and notes. 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 Policies

1. Premiums written are deferred and earned pro rata over the terms of the related insurance policies. Policy fees are recognized in premiums earned on the effective date of the respective insurance policy. Unearned premium reserves represent the portion of premiums written that are applicable to the unexpired terms of the policies in-force, and are determined on a daily pro rata basis.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as advertising, premium taxes and sales commissions, are charged to operations as incurred. The Company has not modified its capitalization policy from the prior period.

Unpaid losses and loss adjustment expenses ("LAE") include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

Net investment income earned consists primarily of interest, dividends and rental income less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rental income includes an imputed rent for the Company's occupancy of its own buildings. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed, and include write-downs for impairments considered to be other-than-temporary.

2. In addition, the company uses the following investment related accounting policies:

- A. Short-term investments are reported at amortized cost.
- B. Bonds not backed by other loans that are designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost, using the interest method. All other bonds (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.
- C. Loan-backed securities are reported at either amortized cost using the interest method or, if non-investment grade, at the lower of amortized cost, fair value or at the present value of future cash flows. The retrospective adjustment method is used to value all loan-backed securities, except for interest only securities, EITF 99-20 eligible securities or securities where the yield has become negative that are valued using the prospective method.
- D. Unaffiliated common stocks are stated at fair value.
- E. The Company holds no preferred stock as of the statement dates.
- F. Mortgage loans on real estate are stated at the aggregate unpaid balance.
- G. Other invested assets are stated at the lower of cost or fair value, except investments in limited partnerships and limited liability companies. Investments in limited partnerships and limited liability companies are stated at the underlying audited GAAP equity.
- H. The Company owns no subsidiaries.
- I. The Company owns no derivatives.
- J. The Company regularly reviews all of its investment positions where the fair value is less than amortized cost or cost for other than temporary impairments. Each impaired security is reviewed for the Company's intent and ability to hold until recovery; duration and severity of the impairment; financial condition and credit ratings of the underlying company or assets; and industry or general economic conditions. For loan-backed or structured securities, the present value of future cash flows from the security is calculated using prescribed factors (see Footnote 5.D.1 and 5.D.5). If the Company has the ability and intent to hold the security until recovery, and the present value of future cash flows is less than amortized cost, the security is impaired to the present value of future cash flows. For loan-backed securities, where the Company has the intent to sell or is unable to hold until recovery, and all other security types (equities and other fixed maturity), impairments deemed as other than temporary are impaired to the fair value of the security.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company did not have any material changes in accounting principles and/or corrections of errors.

3. BUSINESS COMBINATIONS AND GOODWILL

- A. None

NOTES TO FINANCIAL STATEMENTS**4. DISCONTINUED OPERATIONS**

A. None

5. INVESTMENTS

A. Mortgage Loans

1. The Company carries one commercial mortgage loan with a current interest rate of 6.5% at December 31, 2011. The interest rate will change over the life of the loan. The mortgage balance due as of December 31, 2011 is \$3,334,511.
2. The Company did not reduce interest rates on any outstanding loans during the current year.
3. The maximum percentage of any one loan to the value of collateral at the time of the loan was 56%.
4. The Company did not hold mortgages with interest 180 days or more past due.
5. There were no taxes, assessments or any amounts advanced and not included in the mortgage loan.

6-12. There were no impaired mortgage loans.

B. Debt Restructuring

1. None

C. Reverse Mortgages

1. None

D. Loan-Backed Securities

1. Prepayment assumptions for mortgage-backed securities, collateralized mortgage obligations and other structured securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning). On an ongoing basis, we monitor the rate of prepayment and calibrate the model to reflect actual experience, market factors, and viewpoint.

2. All loan backed securities with a 2011 recognized OTTI, disclosed in the aggregate, classified on the basis for the OTTI, are as follows:

	Amortized Cost			Fair Value
	Basis Before than-Temporary	Other-than- Temporary Impairment	Recognized Loss	
	Impairment			
OTTI recognized 1st quarter				
Intent to sell	\$ -	\$ -	\$ -	\$ -
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	327,663	274,475	53,188	53,188
Total 1st quarter	327,663	274,475	53,188	53,188
OTTI recognized 2nd quarter				
Intent to sell	\$ -	\$ -	\$ -	\$ -
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	52,667	4,453	48,214	48,214
Total 2nd quarter	52,667	4,453	48,214	48,214
OTTI recognized 3rd quarter				
Intent to sell	\$ -	\$ -	\$ -	\$ -
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	676,418	61,165	615,253	615,253
Total 3rd quarter	676,418	61,165	615,253	615,253
OTTI recognized 4th quarter				
Intent to sell	\$ -	\$ -	\$ -	\$ -
Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-	-
Total 4th quarter	-	-	-	-
Annual aggregate total	\$ 1,056,748	\$ 340,093	\$ 716,655	

3. The following table provides information for each security with a 2011 recognized OTTI, currently held by the Company, and the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

CUSIP	Book/Adj		Recognized Other-than- Temporary Impairment	Amortized Cost After Other-than- Temporary Impairment	Fair Value	Reporting Period				
	Carrying Value									
	Amortized Cost	PV of Projected before Current Cash								
Period OTTI		flows	Temporary Impairment	Temporary Impairment						
CUSIP	Period OTTI	flows	Impairment	Impairment	Fair Value	Period				
456606HL9	\$ 327,663	\$ 53,188	\$ 274,475	\$ 53,188	\$ 53,188	3/31/2011				
456606HL9	52,667	48,214	4,453	48,214	48,214	6/30/2011				
126380AB0	676,418	615,253	61,165	615,253	615,253	9/30/2011				
Total			\$ 340,093							

NOTES TO FINANCIAL STATEMENTS

4. Unrealized Loss greater than and less than 12 months:

	Unrealized Losses Less Than 12 Months		Unrealized Losses Greater Than 12 Months		Total	
	Unrealized		Unrealized		Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
Other Structured Securities	\$ 25,305,542	\$ (483,973)	\$ 1,485,645	\$ (103,463)	\$ 26,791,187	\$ (587,436)
Commercial mortgage backed securities	1,198,025	(3,026)			1,198,025	(3,026)
Residential mortgage backed securities	165,193	(1,875)	391,249	(30,882)	556,442	(32,757)
Total	\$ 26,668,760	\$ (488,874)	\$ 1,876,894	\$ (134,345)	\$ 28,545,654	\$ (623,219)

5. Recommendations for potential impairments are based on periodic analytical reviews and / or client specific OTTI requirements. Analysis relies on actual collateral performance measurements including, but not limited to prepayment rates, default rates, delinquencies and loss severity sourced through third party data providers.

E. Repurchase Agreements

1. None

F. Real Estate

1. No impairment losses on real estate were necessary in 2011 or 2010.
2. None
3. None
4. None
5. None

G. Low Income Housing Tax Credits

1. None

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

- A. The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.
- B. None

7. INVESTMENT INCOME

- A. Accrued Investment Income
 1. The Company does not admit investment income due and accrued if amounts are over 90 days past due.
- B. Amounts Nonadmitted
 1. None

8. DERIVATIVE INSTRUMENTS

- A. None
- B. None
- C. Not applicable.
- D. Not applicable.
- E. None
- F. None

9. INCOME TAXES

- A. The components of the net deferred tax asset/liability at December 31 are as follows:

Description	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$ 14,330,714	\$ 3,118,023	\$ 17,448,737	\$ 18,223,199	\$ 4,211,268	\$ 22,434,467
(b) Statutory valuation allowance adjustment	-	(323,941)	(323,941)	-	(2,850,000)	(2,850,000)
(c) Adjusted gross deferred tax assets (1a - 1b)	14,330,714	2,794,081	17,124,795	18,223,199	1,361,268	19,584,467
(d) Deferred tax liabilities	(5,964,894)	(103,419)	(6,068,313)	(5,283,274)	(146,846)	(5,430,120)
(e) Subtotal (Net deferred tax assets) (1c - 1d)	8,365,820	2,690,663	11,056,483	12,939,925	1,214,422	14,154,347
(f) Deferred tax assets nonadmitted	-	-	-	-	-	-
(g) Net admitted deferred tax assets (1e - 1f)	\$ 8,365,820	\$ 2,690,663	\$ 11,056,483	\$ 12,939,925	\$ 1,214,422	\$ 14,154,347
(h) Net change during the year in total of DTAs non admitted						

2. The Company has elected to admit DTAs pursuant to paragraph 10.e. SSAP No. 10R, Income Taxes - A Temporary Replacement of SSAP No. 10 for the reporting period ended December 31, 2011. The current period election does not differ from the prior reporting period or the year ended December 31, 2010.
3. The increased amounts, by tax character, of admitted adjusted gross DTAs resulting from paragraph 10e for the following years are as follows:

	2011	2010
Ordinary	\$ -	\$ 2,981,655
Capital	-	-
Total increase in admitted adjusted gross DTAs	\$ -	\$ 2,981,655

NOTES TO FINANCIAL STATEMENTS

4. The amount of each result or component of the calculation by tax character, of paragraphs 10a, 10b.i., 10b.ii., and 10c.

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Can be recovered through loss carrybacks (10a.)	\$ 10,513,619	\$ -	\$ 10,513,619	\$ 10,805,143	\$ -	\$ 10,805,143
Lesser of:						
Expected to be recognized within one year (10b.i.)	(1,744,315)	2,794,081	1,049,767	(993,718)	1,361,268	367,549
Ten percent of adjusted capital and surplus (10b.ii.)	12,557,640	-	12,557,640	16,313,973	-	16,313,973
Adjusted gross DTAs offset against existing DTLs (10c.)	5,561,410	-	5,561,410	5,430,120	-	5,430,120
Risk-based capital level used in paragraph 10d.:						
Total adjusted capital			139,569,320			179,365,816
Authorized control level used in 10d			34,515,112			33,676,908

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

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Can be recovered through loss carrybacks (10ei.)	\$ 10,513,619	\$ -	\$ 10,513,619	\$ 10,805,143	\$ -	\$ 10,805,143
Lesser of:						
Expected to be recognized within three years (10eii(a.))	1,295,340	2,794,081	4,089,421	5,041,285	1,361,268	6,402,553
Fifteen percent of adjusted capital and surplus (10eii(b.))	18,836,459	-	18,836,459	24,470,959	-	24,470,959
Adjusted gross DTAs offset against existing DTLs (10eiii.)	2,521,756	-	2,521,756	2,376,771	-	2,376,771
Risk-based capital level used in paragraph 10d.:						
Total adjusted capital			139,569,320			182,347,471
Authorized control level used in 10d			34,515,112			33,676,908

5. The impact of tax planning strategies on adjusted gross and net admitted DTAs for 2011:

	Ordinary %	Capital %	Total %
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	83.7%	16.3%	100.0%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted)	75.7%	24.3%	100.0%

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

	2011	2010
Admitted DTAs	\$ 17,124,795	\$ 16,602,812
Admitted assets	399,246,179	449,913,104
Adjusted statutory surplus	139,569,320	179,365,816
Total adjusted capital from DTAs	139,569,320	179,365,816

The following amounts resulted from the calculation of SSAP No. 10R, Paragraph 10.e.

Admitted DTAs	\$ 17,124,795	\$ 19,584,467
Admitted assets	399,246,179	449,913,104
Statutory surplus	139,569,320	182,347,471
Total adjusted capital from DTAs	139,569,320	182,347,471

B. Deferred tax liabilities are not recognized for the following amounts:

1. Not applicable

C. The components of incurred income tax expense and the change in DTA's and DTL's are as follows:

Description	2011	2010
1. Current income tax expense	\$ 1,500,114	\$ 7,578,848
2. Change in deferred tax assets	\$ (2,459,672)	\$ 4,443,546
3. Change in deferred tax liabilities	638,193	1,716,706
Net change in deferred taxes	\$ (3,097,865)	\$ 2,726,840

NOTES TO FINANCIAL STATEMENTS

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

Description	2011	2010
Deferred tax assets		
Discount on unpaid losses and LAE	\$ 2,683,236	\$ 3,225,497
20% of unearned premium	5,014,463	5,584,813
Accrued vacation pay	284,739	253,426
Other than temporary impairments	754,024	685,648
Capital loss carryforwards	2,363,999	3,525,620
Deferred compensation plan	1,059,392	962,509
Corporate reserves	140,000	2,800,000
K-1 income	156,122	0
Accrued bonuses	143,852	0
Subtotal	12,599,827	17,037,513
Nonadmitted assets	4,848,909	5,396,954
Statutory valuation allowance adjustment	(323,941)	(2,850,000)
Total deferred tax assets	17,124,795	19,584,467
Nonadmitted deferred tax assets	-	-
Admitted deferred tax assets	\$ 17,124,795	\$ 19,584,467
Deferred tax liabilities		
Salvage and subrogation	\$ 86,075	\$ 97,623
Fixed asset depreciation	1,892,576	1,689,372
Discount on bonds - owned/sold	68,179	22,503
Capitalized software	3,718,833	3,463,408
K-1 income	0	10,358
481(a) Adjustment	149,728	0
Unrealized investment loss SSAP 10	103,419	146,846
Other	49,503	10
Total deferred tax liabilities	6,068,313	5,430,120
Net admitted deferred tax assets	\$ 11,056,482	\$ 14,154,347

4. There were no investment tax credits.

5. There were no adjustments to DTAs or DTLs for enacted changes in tax laws or rates or a change in the tax status of the Company.

6. There were no adjustments to gross DTAs because of a change in circumstances that caused a change in judgment about the realizability of any DTA.

D. The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 21,378,060	\$ 7,482,321	35%
Tax-exempt income	(2,732,937)	(956,528)	-4%
20% of unearned premium	(1,629,573)	(570,351)	-3%
Non deductible expenses	313,652	109,778	1%
Non taxable income	349,490	122,322	1%
Depreciation	(530,303)	(185,606)	-1%
Loss reserve discounting	(1,200,293)	(420,103)	-2%
Capitalized Software	(729,783)	(255,424)	-1%
Other than temporary impairments	195,343	68,370	0%
Capital loss carryforwards	(2,841,474)	(994,516)	-5%
Corporate reserves	(7,600,000)	(2,660,000)	-12%
Other	427,332	149,567	1%
Total	\$ 5,399,514	\$ 1,889,830	9%

E. Operating Loss and Tax Credit Carryforwards

- As of December 31, 2011, the Company had no unused operating loss carryforwards available to offset against future taxable income.
- The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2011 (current year)	\$ 1,889,830
2010	\$ 7,538,703

- None

F. The Company's federal income tax return is consolidated with the following entities:

- Safe Auto Insurance Group, Inc., Safe Auto Services, Inc. (dissolved in 2011), Safe Auto Group Agency, Inc., and SafeAuto Realty, LLC.
- The Company has a tax sharing agreement with its parent whereby federal income tax expense is determined as if the Company filed a separate federal income tax return and payments for this liability are made to the parent and included with balances reported as Payable to parent, subsidiaries and affiliates.

NOTES TO FINANCIAL STATEMENTS**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

- A. Nature of Relationships
 - 1. The Company is a wholly owned subsidiary of Safe Auto Insurance Group, Inc. (Parent), a privately held company incorporated in Ohio.
- B. Detail of Transactions Greater than 1/2% of Admitted Assets
 - 1. The Company did not receive capital contributions from Parent during 2011 or 2010.
 - 2. The Company participates in a cash sweep program with Safe Auto Group Agency. Within terms of the program they may commingle cash balances in a bank account owned by the Company.
 - 3. Safe Auto Group Agency negotiates, manages, and purchases certain advertising for Safe Auto Insurance Company, sells and services certain insurance policies on the behalf of Safe Auto Insurance Company, and is reimbursed 100% by Safe Auto Insurance Company for all costs incurred to provide such services (see Note 10-F)
 - 4. No other transactions exceeding the 1/2% limit occurred in 2011 or 2010.
- C. Change in Terms of Intercompany Arrangements
 - 1. None
- D. Amounts Due to or From Related Parties
 - 1. The Company had net payables to Safe Auto Group Agency of \$3,122,035 and \$5,462,888 as of December 31, 2011 and 2010, respectively. The net payables include cash balances under the cash sweep program.
 - 2. SAGI Realty Ltd. (SAGI), a subsidiary of Parent, owns the Company's former headquarters and an adjacent building. The Company paid rent on these properties of \$11,000 and \$12,000 in 2011 and 2010, respectively. The Company also from time to time paid for improvements to certain rental properties and for building operating purposes on behalf of SAGI. As of December 31, 2011 the Company had no net payables to SAGI, but had a \$2,000 net payable as of December 31, 2010.
 - 3. The Company had a net payable balance to Parent of \$28,704,331 as of December 31, 2011 and a net receivables balance of \$133,798 for the year ended December 31, 2010. The Company declared a \$50,000,000 dividend payable to Safe Auto Insurance Group on August 16, 2011. As of December 31, 2011, \$34,000,000 of the dividend was included in the net payable to Safe Auto Insurance Group as full payment of the dividend has not yet been made.
- E. Guarantees or Contingencies for Related Parties
 - 1. None
- F. Management, Service Contracts, Cost Sharing Arrangements
 - 1. Safe Auto Insurance Company and Safe Auto Group Agency are parties of an agency contract. Safe Auto Group Agency provides agency services for Safe Auto Insurance Company by employing certain agents, customer service, and related management personnel while also exclusively providing all advertising and marketing efforts. Safe Auto Insurance Company paid Safe Auto Group Agency \$51,533,565 in 2011 and \$43,774,128 in 2010.
 - 2. All such management, service contracts, and cost sharing agreements mentioned are transacted at cost and provide no profit provision to the service provider.
- G. Nature of Relationships that Could Affect Operations
 - 1. All outstanding shares of the Company are owned by Parent.
- H. Amount Deducted for Investment in Upstream Company
 - 1. None
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
 - 1. None
- J. Write down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies
 - 1. None
- K. Foreign Subsidiary Valued Using CARVM
 - 1. None
- L. Downstream Holding Company Valued Using Look-Through Method
 - 1. None

11. DEBT

- A. In 2010, the Parent paid off its debt obligations and the capital stock of the Company was no longer pledged by its Parent.
- B. The Company is a member of the Federal Home Loan Bank of Cincinnati (FHLBC). In early 2011, the Company purchased \$689,500 of FHLBC stock and has a current borrowing capacity of \$10,000,000. The Company has no outstanding cash advances at December 31, 2011.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTEMPLOYMENT BENEFITS

- A. None
- B. The Company sponsors a defined contribution 401(k) Employee Savings and Profit Sharing Plan (the "401(k) Plan") which allows eligible employees to contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations, to an individual 401(k) retirement savings account. The Company makes matching contributions equal to 50% of the employee contributions, up to 8% of total employee compensation, and may make periodic discretionary contributions. The Company's contributions to this Plan were \$879,033.09 and \$761,500 for the years ended December 31, 2011 and 2010, respectively.

The Company also sponsors a non-qualified deferred compensation arrangement for certain executives and directors of the Company. Participating executives and directors may contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations. The Company makes matching contributions equal to 50% of the employee contribution up to 8% of total executive compensation when coordinated with the executives' contributions to the 401(k) plan. There are no matching contributions for directors.

- C. None
- D. None
- E. None
- F. None

NOTES TO FINANCIAL STATEMENTS**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS****1. Outstanding Shares**

In May, 2010 the Board authorized an increase to the par value of the Company stock from \$15,000 to \$25,000 per share. Authorized shares remained unchanged at 750, with 100 shares issued and outstanding. Common stock increased \$1,000,000. This was done in response to an amendment to the Texas Insurance Code. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not applicable

3. Dividend Restrictions

Ohio law states that insurance company dividends are limited to the greater of prior year's (a) statutory net income, or (b) 10% of statutory surplus of the insurance company without prior approval from the Department of Insurance. Dividends on common stock are paid as declared by the Board of Directors of the Company.

4. Dividend Payments

On February 10, 2011, the board approved an ordinary dividend of \$2,000,000 to be paid to the Parent, on or after February 22, 2011. The Company paid the dividend on February 23, 2011

On April 8, 2011, the board approved a dividend of \$4,500,000 to be paid to the Parent, on or after April 27, 2011. The Company paid the dividend on May 3, 2011.

On May 17, 2011, the board approved a dividend of \$4,500,000 to be paid to the Parent, on or after June 3, 2011. The Company paid the dividend on June 3, 2011.

On August 16, 2011, the board approved a dividend of \$50,000,000 to be paid to the Parent, on or after September 15, 2011. The Company paid \$16,000,000 of the dividend on September 16, 2011. At December 31, 2011, the Company is carrying a \$34,000,000 payable to its parent. The \$50,000,000 dividend had \$7,795,210 that was classified as an ordinary dividend and \$42,204,790 that was classified as an extraordinary dividend and received Ohio Department of Insurance approval.

5. Ordinary Dividends

Within the limitations noted in note 13.3 above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders. Because of the extraordinary dividend made in 2011, the Company cannot make any dividend payouts in 2012 without prior approval from the Ohio Department of Insurance.

6. Restrictions on Surplus

There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Purposes

None

9. Changes in Special Surplus Funds

The adoption of SSAP 10R increased special surplus funds by \$0 and \$2,981,665 in 2011 and 2010, respectively.

10. Changes in Unassigned Funds

The portion of surplus represented (reduced) by each item below is as follows:

	Cumulative Incr (Decr) in Surplus	Curr year Incr (Decr) in Surplus
Unrealized gains	\$ 192,065	\$ (80,651)
Nonadmitted asset values	(13,854,025)	1,565,845
Deferred tax assets	8,298,321	(3,141,292)
Total increase (decrease)	\$ (5,363,639)	\$ (1,656,098)

11. Surplus Notes

None

12. & 13. Quasi Reorganizations

None

14. CONTINGENCIES**A. Contingent Commitments**

1. The Company has no commitments or contingent commitments to affiliates or other entities, or has made no guarantees on behalf of affiliates.
2. Not applicable
3. Not applicable

B. Guaranty Fund and Other Assessments

1. The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessment or in the case of premium based assessments, at the time the premiums were written, or in the case of loss based assessments, at the time the losses are incurred.
2. The Company determined there are no accruals needed at this time. This represents management's best estimate based on information received from the states in which the Company writes business and may change if different information is received from a state.

C. Gain Contingencies

1. The Company does not have any material gain contingencies.

NOTES TO FINANCIAL STATEMENTS**D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits**

1. The Company is named, from time to time and in the ordinary course of business, as a defendant in legal actions arising principally from claims made under its insurance contracts, including those seeking extra-contractual damages beyond policy limits. These are commonly referred to as extra-contractual or bad faith claims. Such legal actions are considered by the Company in estimating the loss and LAE reserves.
2. During 2011 and 2010, the Company paid \$717,130 and \$303,250, respectively, net of reimbursements relating to less than 25 claims.
3. The claim count information is disclosed on a "per claim" basis.

E. Product Warranties

1. Not applicable

F. All Other Contingencies

1. The Company is also, from time to time and in the ordinary course of business, faced with class action lawsuits, regulatory proceedings, and individual lawsuits that are not directly related to its insurance contracts. These matters currently include: (1) the alleged improper charge for uninsured/underinsured motorist coverage; (2) the alleged improper charge for certain liability premiums; and (3) an audit of the Company's 401(k) Plan by the Internal Revenue Service. The Company is vigorously defending its position in these matters. In accordance with the applicable accounting principles, reserves have been established for those matters as to which the Company has determined it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Likewise, the Company has not established reserves for those matters where the loss is not probable and/or it currently is unable to estimate the Company's potential exposure. If any one or more of these matters results in a judgment against, or settlement by, the Company in an amount significantly in excess of the reserve established for such matter, if any, the resulting liability could have a material effect on the Company's financial condition, cash flows, and results of operations.

At this time, the Company does not believe that any other legal action necessitates recognition of losses or disclosure, or that the resolution of such action would have a material adverse effect on the Company's financial position or results of operations.

15. LEASES**A. Lessee Leasing Arrangements**

1. The Company leases equipment under a non-cancelable operating lease agreement that expires in December 2015. The Company leased office space under a non-cancelable operating lease agreement that expired in 2011. Rental expense for 2011 and 2010 was \$404,501 and \$520,866, respectively.
2. At December 31, 2011, the future minimum rental payments are as follows:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2012	\$ 269,312
2013	269,312
2014	269,312
2015 and thereafter	<u>269,312</u>
Total	<u>1,077,248</u>

3. The Company is not involved in any sale-leaseback transactions.

B. Lessor Leasing Arrangements

1. Not applicable

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS

1. Not applicable

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

1. None

18. GAIN OR LOSS FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

1. None

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

1. None

NOTES TO FINANCIAL STATEMENTS**20. FAIR VALUE MEASUREMENT****A. Inputs Used for Assets and Liabilities Measured at Fair Value****1. Assets recorded on the financial statements at fair value measurements by accounting hierarchy levels 1, 2 and 3**

The Company has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the following table. See item 3 below for a discussion of each of these three levels.

The Company had no liabilities recorded at fair value.

Description	Level 1	Level 2	Level 3	Total
States and political subdivisions	\$ -	\$ 248,350	\$ -	\$ 248,350
Residential mortgage backed securities	-	151,076	-	151,076
Commercial mortgage backed securities	-	-	-	-
Total fixed maturities	-	399,426	-	399,426
Common stock	21,229,632	689,500	-	21,919,132
Total investments	\$ 21,229,632	\$ 1,088,926	\$ -	\$ 22,318,557

There were no transfers between Level 1 and Level 2 assets during the current period.

2. Roll forward of Level 3 items

The following table summarized the changes in assets classified in Level 3 as of December 31, 2011. All of the Level 3 securities owned by the Company were commercial mortgage backed securities. Gains and losses reported in this table may include changes in fair value that are attributable to both observable and unobservable inputs. The transfers out of Level 3 were caused by the assets being carried at amortized cost instead of fair value.

	Balance at 1/1/11	Transfers in to Level 3	Transfers out of Level 3	Included in Net Income	Total Gains and (Losses)	Total Gains and (Losses)	Purchases, Issuances, Sales and Settlements	Balance at 12/31/11
CMBS	\$ 127,275	\$ -	\$ (127,032)	\$ -	\$ (243)	\$ -	\$ -	\$ -
Total	\$ 127,275	\$ -	\$ (127,032)	\$ -	\$ (243)	\$ -	\$ -	\$ -

3. Policy for Determining Transfers between Levels.

The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by ASC 820 *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are defined as follows:

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

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

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

Reclassifications impacting Level 3 financial instruments are reported as transfers in (out) of the Level 3 category as of the beginning of the quarter in which the transfer occurs; gains and losses in income only reflect activity for the period the instrument was classified in Level 3. The same policy is followed when a transfer between Level 1 and Level 2 occurs.

4. Fair value measurements for fixed income and equity securities are based on values either published by the NAIC's Security Valuation Office (SVO) or from an independent pricing service vendor. Under certain circumstances, if neither an SVO price nor a Vendor price is available, a price may be obtained from a broker. Short term securities and cash equivalents are valued at amortized cost.

When published prices from the SVO are not available, the Company relies predominately on independent pricing service vendors that have been evaluated and approved by our investment management company's internal pricing policy committee. Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation.

Certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used by the Company to determine the appropriate fair value hierarchy. Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with the Company's pricing policy. Market Information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

NOTES TO FINANCIAL STATEMENTS**21. OTHER ITEMS****A. Extraordinary Items**

1. In the third quarter of 2011, the Company settled and paid a class action lawsuit for \$6,750,000. The Company had carried an \$8,000,000 reserve on its balance sheet since December 31, 2010 to cover the exposure.

B. Troubled Debt Restructuring for Debtors

1. None

C. Other Disclosures

1. Assets with market values of \$2,710,656 and \$2,717,906 at December 31, 2011 and 2010, respectively, were on deposit with government authorities or trustees as required by law in the various states of operation.

D. Uncollectible Premiums Receivable

1. At December 31, 2011 and 2010 the Company had admitted assets of \$55,462,732 and \$62,710,690, respectively, in accounts receivable from policyholders. The Company routinely assesses the collectability of these receivables. Based upon Company experience, the potential for any additional loss from uncollectible accounts is not believed to be material to the Company's financial condition.

E. Business Interruption Insurance Recoveries

1. None

F. State Transferable and Non-transferable Tax Credits

1. None

G. Subprime Mortgage Related Risk Exposure**1. Subprime Mortgage Exposures**

The Company has invested in collateralized fixed income securities, such as residential mortgage-backed securities ("MBS") and collateralized debt obligations ("CDO"). Through certain investments, the Company is subject to additional default risk exposure as these securitizations were collateralized by mortgages that have characteristics of subprime lending. Such characteristics include, but are not limited to, an interest rate above prime to borrowers who do not qualify for prime rate loans, borrowers with low credit ratings, unconventionally high initial loan-to-value ratios, low initial payments based on a fixed introductory rate that expires after a short initial period, and borrowers with less than conventional documentation of their income or net assets.

While inherently subject to realized losses resulting from rising defaults or foreclosures, the Company's conservative investment practices of only investing in MBS and CDO's which carry the highest or higher credit ratings (AA or better) and actively monitoring the underlying collateral performance should limit such losses. As such, the Company currently believes that its exposure to unrealized losses from declines in asset values, as the market adjusts to risk aversion and liquidity issues, is greater than its exposure to realized losses resulting from receiving less than anticipated cash flows. The Company intends to hold these fixed income investments until maturity or recovery, and does not anticipate sale of assets to meet future cash flow requirements.

2. Direct Exposure—Mortgage Loans

The Company does not have any investments with direct exposure in subprime mortgage loans.

3. Direct Exposure—Other Investments

The Company has invested in residential mortgage-backed securities and collateralized debt obligations. While the fair value of these fixed income investments may fluctuate, the Company reviewed its MBS and CDO portfolio as of December 31, 2011. The Company determined that those investments that were less than investment grade or that had other underlying credit issues that reduced their market value were other-than-temporarily impaired. These reduced asset values have been reflected in the financial statements. The impact on these investments should the subprime credit crisis worsen cannot be assessed at this time.

The following is a summary of the Company's other investments with subprime exposure.

	Book Adjusted			Impairments
	Actual Costs	Carrying	Fair Value	
Residential mortgage-backed securities	\$ 1,094,914	\$ 690,895	\$ 748,507	\$ 717,001
Collateralized debt obligations	1,191,603	273,720	388,928	1,013,659
Total Other Investments	\$ 2,286,517	\$ 964,615	\$ 1,137,435	\$ 1,730,660

4. Underwriting Exposure

The Company does not engage in mortgage guaranty insurance coverage.

22. EVENTS SUBSEQUENT**1. None**

Recognized and non recognized subsequent events have been considered through February 29, 2012 for the statutory statements issued on February 29, 2012.

23. REINSURANCE**A. Unsecured Reinsurance Recoverables**

1. None

B. Reinsurance Recoverables in Dispute

1. Not applicable

C. Reinsurance Assume and Ceded

1. The Company is a party in a prospective personal automobile physical damage catastrophe agreement of reinsurance with General Reinsurance Corporation. This reinsurance agreement covers a portion of aggregated losses arising from catastrophic events that exceed a specified retention stated in the agreement. Ceded premiums are calculated primarily based on a percentage of comprehensive premiums earned, and were not material for the year ended December 31, 2011.

D. Uncollectible Reinsurance

1. None

E. Commutation of Ceded Reinsurance

1. None

F. Retroactive Reinsurance

1. None

NOTES TO FINANCIAL STATEMENTS

- G. Reinsurance Accounted for as a Deposit
 - 1. None
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements
 - 1. Not applicable

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- 1. None

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

- 1. The estimated cost of losses and loss adjustment expenses attributable to insured events of prior years (2010 and prior) decreased by \$13.3 million during the current year. Adjustments of this nature regularly occur as new information is gained during the normal course of adjusting individual claim settlements in the current year. Such adjustments are recognized in the statement of income in the period in which the estimates change.

During 2011, the Company reduced costs for prior accident years by \$16.1 million for losses but increased costs for LAE by \$2.8 million. The loss reductions resulted from claim severities being below previously projected levels. As for LAE, Defense and Cost Containment (DCC) expenses increased due to higher than expected attorney costs in recent years.

The 2011 loss reserve reductions primarily related to accidents occurring in the preceding four years. Increases in LAE reserves were attributable to the preceding two most recent years. These results are not necessarily indicative of future results.

26. INTERCOMPANY POOLING ARRANGEMENTS

- None

27. STRUCTURE SETTLEMENTS

- None

28. HEALTH CARE RECEIVABLES

- None

29. PARTICIPATING POLICIES

- None

30. PREMIUM DEFICIENCY RESERVES

The Company has evaluated for the existence of any premium deficiencies as of December 31, 2011, and it was determined that there were none. Anticipated investment income was not taken into account in the calculation.

31. HIGH DEDUCTIBLES

- None

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

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

33. ASBESTOS/ENVIRONMENTAL RESERVES

- None

34. SUBSCRIBER SAVINGS ACCOUNTS

- None

35. MULTIPLE PERIL CROP INSURANCE

- None

36. FINANCIAL GUARANTY INSURANCE

- None

Safe Auto 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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]							
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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]							
1.3 State regulating? <u>OHIO</u>								
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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
2.2 If yes, date of change:	12/31/2009							
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).	05/12/2011							
3.4 By what department or departments? <u>Ohio Department of Insurance</u>								
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 [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>]							
3.6 Have all of the recommendations within the latest financial examination report been complied with?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]							
4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:								
4.11 sales of new business?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]							
4.12 renewals?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]							
4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:								
4.21 sales of new business?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]							
4.22 renewals?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]							
5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
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.								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">1 Name of Entity</td> <td style="width: 33%; text-align: center;">2 NAIC Co. Code</td> <td style="width: 33%; text-align: center;">3 State of Domicile</td> </tr> </table>		1 Name of Entity	2 NAIC Co. Code	3 State of Domicile				
1 Name of Entity	2 NAIC Co. Code	3 State of Domicile						
6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
6.2 If yes, give full information:								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> </table>		1 Nationality	2 Type of Entity					
1 Nationality	2 Type of Entity							
7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
7.2 If yes,%%							
7.21 State the percentage of foreign control								
7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Nationality</td> <td style="width: 50%; text-align: center;">2 Type of Entity</td> </tr> </table>		1 Nationality	2 Type of Entity					
1 Nationality	2 Type of Entity							
8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 14.28%; text-align: center;">1 Affiliate Name</td> <td style="width: 14.28%; text-align: center;">2 Location (City, State)</td> <td style="width: 14.28%; text-align: center;">3 FRB</td> <td style="width: 14.28%; text-align: center;">4 OCC</td> <td style="width: 14.28%; text-align: center;">5 OTS</td> <td style="width: 14.28%; text-align: center;">6 FDIC</td> <td style="width: 14.28%; text-align: center;">7 SEC</td> </tr> </table>		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC		
8.3 Is the company affiliated with one or more banks, thrifts or securities firms?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
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.								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 14.28%; text-align: center;">1 Affiliate Name</td> <td style="width: 14.28%; text-align: center;">2 Location (City, State)</td> <td style="width: 14.28%; text-align: center;">3 FRB</td> <td style="width: 14.28%; text-align: center;">4 OCC</td> <td style="width: 14.28%; text-align: center;">5 OTS</td> <td style="width: 14.28%; text-align: center;">6 FDIC</td> <td style="width: 14.28%; text-align: center;">7 SEC</td> </tr> </table>		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC		
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? <u>Ernst & Young, LLP, 1100 Huntington Center, 41 South High Street, Columbus, OH 43213</u>								
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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
10.2 If the response to 10.1 is yes, provide information related to this exemption:								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Affiliate Name</td> <td style="width: 50%; text-align: center;">2 Location (City, State)</td> </tr> </table>		1 Affiliate Name	2 Location (City, State)					
1 Affiliate Name	2 Location (City, State)							
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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]							
10.4 If the response to 10.3 is yes, provide information related to this exemption:								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Affiliate Name</td> <td style="width: 50%; text-align: center;">2 Location (City, State)</td> </tr> </table>		1 Affiliate Name	2 Location (City, State)					
1 Affiliate Name	2 Location (City, State)							
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]							
10.6 If the answer to 10.5 is no or n/a, please explain.								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">1 Affiliate Name</td> <td style="width: 50%; text-align: center;">2 Location (City, State)</td> </tr> </table>		1 Affiliate Name	2 Location (City, State)					
1 Affiliate Name	2 Location (City, State)							
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? <u>Robert Lowery, FCAS (employee), 4 Easton Oval, Columbus, OH 43219</u>								
12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]							
12.11 Name of real estate holding company <u>New Albany Apartments, LLC</u>								
12.12 Number of parcels involved1							
12.13 Total book/adjusted carrying value \$.....	\$.....1,430,000							
12.2 If yes, provide explanation.								

Annual Statement for the year 2011 of the **Safe Auto Insurance Company**
GENERAL INTERROGATORIES

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

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

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

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

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

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

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

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

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

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

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

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

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

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

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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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

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

20.11 To directors or other officers	\$.....0
20.12 To stockholders not officers	\$.....0
20.13 Trustees, supreme or grand (Fraternal only)	\$.....0

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

20.21 To directors or other officers	\$.....0
20.22 To stockholders not officers	\$.....0
20.23 Trustees, supreme or grand (Fraternal only)	\$.....0

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

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

21.21 Rented from others	.....
21.22 Borrowed from others	.....
21.23 Leased from others	.....
21.24 Other	.....

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	.....
22.22 Amount paid as expenses	.....
22.23 Other amounts paid	.....

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....5,599,527

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

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

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

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

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes [X] No []
 25.2 If yes, state the amount thereof at December 31 of the current year:
 25.21 Subject to repurchase agreements \$.....0
 25.22 Subject to reverse repurchase agreements \$.....0
 25.23 Subject to dollar repurchase agreements \$.....0
 25.24 Subject to reverse dollar repurchase agreements \$.....0
 25.25 Pledged as collateral \$.....0
 25.26 Placed under option agreements \$.....0
 25.27 Letter stock or securities restricted as to sale \$.....0
 25.28 On deposit with state or other regulatory body \$.....2,710,656
 25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes []
 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
U.S. Bank	425 Walnut Street, 6th Floor, Cincinnati, OH 45202
Merrill Lynch	65 East State Street, Suite 2600, Columbus, OH 43215
JP Morgan Chase NA	Columbus Trust Office, 100 East Broad Street, Columbus, OH 43271-0192
JP Morgan Chase	100 N. Broadway, Oklahoma City, OK 73102
Bank of America Corporation	200 W. Capitol Avenue, FL 6, Little Rock, AR 72201
SunTrust	P.O. Box 26665, Richmond, VA 23261-6665
FHLB of Cincinnati	221 E. 4th Street, Suite 1000, Cincinnati, OH 45202

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 broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
105900	General Re/New England Asset Management	76 Batterson Park Road, Farmington, CT 06032
7691	Merrill Lynch	65 East State Street, Columbus, OH 43215
1608684	JP Morgan Chase	345 Park Avenue, New York, NY 10154-1002

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 [X] No []
 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
464287 37 4	iShares S&P NA Nat Res S | F	623,200
464287 40 8	iShares S&P 500/Barra Value Index Fund	2,093,157
464287 66 3	iShares Russell 3000 Value	2,111,340
464288 28 1	iShares JP Morgan EM Bond FD	132,249
486606 10 6	Kayne Anderson MLP Investments	151,850
543495 78 2	Loomis Sayles GLBL Bond-Inst	1,522,181
55312N 10 6	MLP & Strategic Equity Fund	239,120
72201M 55 2	Pimco Total Return Fund	1,989,021
72201M 81 8	Pimco Emerging Markets Bond-P	124,908
72201R 20 5	Pimco 1-5 Year US Tips In Fund	106,720
73935X 38 5	PowerShares Dyn Energy	701,960
78355W 86 6	Rydex S&P Wgt Energy ETF	677,710
78462F 10 3	SPDR S&P 500 ETF Trust	2,158,851
91232N 10 8	United States Oil Fund LP	2,198,947
91288V 10 3	United States 12 Month Oil Fund	2,378,356
29.2999. TOTAL		17,209,570

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation
IShares S&P NA Nat Reserve	Exxon Mobil Corp	49,981	12/31/2011
IShares S&P NA Nat Reserve	Chevron Corp	49,046	12/31/2011
IShares S&P NA Nat Reserve	Conoco Phillips	34,650	12/31/2011
IShares S&P NA Nat Reserve	Schlumberger LTD	32,843	12/31/2011
IShares S&P NA Nat Reserve	Occidental Petroleum	27,234	12/31/2011
IShares S&P 500/Barra Value Index	General Electric Co	75,982	12/31/2011
IShares S&P 500/Barra Value Index	AT&T Inc	72,005	12/31/2011
IShares S&P 500/Barra Value Index	Pfizer Inc	66,772	12/31/2011
IShares S&P 500/Barra Value Index	Exxon Mobil Corp	58,608	12/31/2011
IShares S&P 500/Barra Value Index	Wells Fargo & Co	58,399	12/31/2011
IShares Russell 3000 Value Index Fund	Chevron Corp	60,595	12/31/2011
IShares Russell 3000 Value Index Fund	General Electric Co	57,006	12/31/2011
IShares Russell 3000 Value Index Fund	AT&T Inc	53,839	12/31/2011
IShares Russell 3000 Value Index Fund	Procter & Gamble Co	52,150	12/31/2011
IShares Russell 3000 Value Index Fund	Pfizer Inc	51,306	12/31/2011
IShares JP Morgan EM Bond Fund	Philippines (Republic of)	5,845	12/31/2011
IShares JP Morgan EM Bond Fund	Russian (Federation of)	4,986	12/31/2011
IShares JP Morgan EM Bond Fund	Turkey (Republic of)	4,311	12/31/2011
IShares JP Morgan EM Bond Fund	Turkey (Republic of)	4,206	12/31/2011
IShares JP Morgan EM Bond Fund	Brazil (Federative Republic of)	4,139	12/31/2011
Kayne Anderson MLP Investment	Enterprise Products Partners	13,515	12/31/2011
Kayne Anderson MLP Investment	Kinder Morgan Management	11,844	12/31/2011
Kayne Anderson MLP Investment	Plains All American Pipeline	8,655	12/31/2011
Kayne Anderson MLP Investment	Mark West Energy Partners	8,352	12/31/2011
Kayne Anderson MLP Investment	Energy Transfer Equity	7,137	12/31/2011
Loomis Sayles Gbl Bond-Inst	Japan (Gov't of) 1.3% 3/20/19	93,310	11/30/2011
Loomis Sayles Gbl Bond-Inst	Japan (Gov't of) 0.7% 6/20/14	61,344	11/30/2011
Loomis Sayles Gbl Bond-Inst	Denmark (Kingdom) 4% 11/15/15	47,644	11/30/2011
Loomis Sayles Gbl Bond-Inst	30 Yr UST Bond Futures Mar 12	43,991	11/30/2011
Loomis Sayles Gbl Bond-Inst	Canada Gov't 3% 12/1/15	42,317	11/30/2011
MLP & Strategic Equity Fund	Energy Transfer Equity LP	19,493	12/31/2011
MLP & Strategic Equity Fund	Kinder Morgan Management LLC	13,348	12/31/2011
MLP & Strategic Equity Fund	Oneok Partners LP	11,815	12/31/2011
MLP & Strategic Equity Fund	Plains All American Pipeline	11,719	12/31/2011
MLP & Strategic Equity Fund	Enterprise Products Partners	11,695	12/31/2011
PIMCO Total Return Fund	FNCL 4 1/2 10/11	179,569	09/30/2011
PIMCO Total Return Fund	FNCL 4 10/11	91,734	09/30/2011
PIMCO Total Return Fund	FNCL 5 10/11	39,920	09/30/2011
PIMCO Total Return Fund	US Treasury 3 5/8% 2/15/21	36,936	09/30/2011
PIMCO Total Return Fund	US Treasury Inflation O 5/8 7/15/21	26,016	09/30/2011
PIMCO Emerging Markets Bond	US 10 Year Note Future	7,502	09/30/2011
PIMCO Emerging Markets Bond	Russia- Eurobond	6,425	09/30/2011
PIMCO Emerging Markets Bond	Republic of Peru	2,118	09/30/2011
PIMCO Emerging Markets Bond	Petroleos Mexica	2,103	09/30/2011
PIMCO Emerging Markets Bond	Indonesia (Rep)	1,759	09/30/2011
PIMCO 1-5 Year US Tips In Fund	US Treasury Inflated .13% 4/15/16	16,269	12/31/2011
PIMCO 1-5 Year US Tips In Fund	US Treasury Inflated 2% 1/15/14	10,807	12/31/2011
PIMCO 1-5 Year US Tips In Fund	US Treasury Inflated 2.5% 7/15/16	10,283	12/31/2011
PIMCO 1-5 Year US Tips In Fund	US Treasury Inflated 1.88% 7/15/13	10,228	12/31/2011
PIMCO 1-5 Year US Tips In Fund	US Treasury Inflated 2% 7/15/14	9,752	12/31/2011
PowerShares Dyn Energy (PXE)	Marathon Oil Corp	19,164	12/31/2011
PowerShares Dyn Energy (PXE)	Oneok Partners LP	18,883	12/31/2011
PowerShares Dyn Energy (PXE)	Chevron Corp	19,602	12/31/2011
PowerShares Dyn Energy (PXE)	Exxon Mobil Corp	18,532	12/31/2011
PowerShares Dyn Energy (PXE)	Murphy Oil Corp	18,181	12/31/2011
Rydex S&P 500 ETF Trust	Denbury Resources, Inc	18,501	12/31/2011
Rydex S&P 500 ETF Trust	Marathon Petroleum Corp	17,485	12/31/2011
Rydex S&P 500 ETF Trust	Pioneer Natural Resources	17,349	12/31/2011
Rydex S&P 500 ETF Trust	Sunoco, Inc.	17,146	12/31/2011
Rydex S&P 500 ETF Trust	Valero Energy Corp	17,078	12/31/2011
SPDR S&P 500 ETF Trust	Exxon Mobil Corp	76,855	12/31/2011
SPDR S&P 500 ETF Trust	Apple Inc	71,242	12/31/2011
SPDR S&P 500 ETF Trust	Intl Business Machines Corp	41,018	12/31/2011
SPDR S&P 500 ETF Trust	Chevron Corp	40,155	12/31/2011
SPDR S&P 500 ETF Trust	Microsoft Corp	36,916	12/31/2011
United States Oil Fund LP	WTI Crude Future (April '12)	1,868,797	12/20/2011
United States Oil Fund LP	US Dollar	818,140	12/20/2011
United States Oil Fund LP	Morgan Stanley Inst Liquidity (MVRXX)	564,646	12/20/2011
United States Oil Fund LP	WTI Crude Future (April '12)	330,304	12/20/2011
United States Oil Fund LP	T-Bill 06/21/2012	241,950	12/20/2011
United States 12 Month Oil Fund	Morgan Stanley Inst Liquidity	851,808	12/20/2011
United States 12 Month Oil Fund	Fidelity Institutional	565,241	12/20/2011
United States 12 Month Oil Fund	US Dollar	527,567	12/20/2011
United States 12 Month Oil Fund	WTI Crude Future (Jan '13)	200,258	12/20/2011
United States 12 Month Oil Fund	WTI Crude Future (July '12)	199,473	12/20/2011

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	250,298,662	257,981,192	7,682,530
30.2 Preferred stocks.....			0
30.3 Totals.....	250,298,662	257,981,192	7,682,530

30.4 Describe the sources or methods utilized in determining the fair values:

The market values of bonds and preferred stocks were obtained from third party valuation providers such as Merrill Lynch Indices, Interactive Data Corporation, Reuter, S&P, Bloomberg, Factset, or, if not available for third party vendors, from independent security dealers. Short term and cash equivalents are valued at amortized cost.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....432,442

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
National Insurance Crime Bureau	126,685

34.1 Amount of payments for legal expenses, if any? \$.....498,244

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
Vorys, Sater and Seymour	256,433

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....43,500

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
Dinsmore Fries Public Sector Advisors LLC	43,500

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only.

1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31 Reason for excluding:
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

1.6 Individual policies:
Most current three years:
1.61 Total premium earned
1.62 Total incurred claims
1.63 Number of covered lives
All years prior to most current three years:
1.64 Total premium earned
1.65 Total incurred claims
1.66 Number of covered lives
1.7 Group policies:
Most current three years:
1.71 Total premium earned
1.72 Total incurred claims
1.73 Number of covered lives
All years prior to most current three years:
1.74 Total premium earned
1.75 Total incurred claims
1.76 Number of covered lives

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....303,001,201	\$.....336,274,851
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....205,996,974	\$.....235,647,065
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating policies
3.22 Non-participating policies

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
4.1 Does the reporting entity issue assessable policies? Yes [] No []

4.2 Does the reporting entity issue non-assessable policies? Yes [] 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:
.....

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?
The Company does not issue Workers Compensation contracts.

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 engaged Gen RE in the fall of 2011 to run various risk models to estimate the probable maximum loss. Exposure concentrations are primarily made up of vehicles which are primarily exposed to wind, hail and hurricane perils.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company writes private passenger auto insurance in 14 states and protects itself through a catastrophe reinsurance program with the limit of 95% of \$3,000,000 in excess of \$1,000,000.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
.....

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions.

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

8.2 If yes, give full information:

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

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

Yes [] No [X]

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

- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [] No [X]

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

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

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

- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [] No [X]

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

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

- (a) The entity does not utilize reinsurance; or
- (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]

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

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

11.2 If yes, give full information:

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

12.11 Unpaid losses	\$.....0
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$.....0
12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds:	\$.....0

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

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

12.41 From%
12.42 To%

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

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

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

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....450,000

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

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

GENERAL INTERROGATORIES**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

Yes [] No [X]

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

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No [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 [] No [X]

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

15.1 Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business?

Yes [] No [X]

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

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

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5?

Yes [] No [X]

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

Provide the following information for this exemption:

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

.....

17.12 Unfunded portion of Interrogatory 17.11

.....

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

.....

17.14 Case reserves portion of Interrogatory 17.11

.....

17.15 Incurred but not reported portion of Interrogatory 17.11

.....

17.16 Unearned premium portion of Interrogatory 17.11

.....

17.17 Contingent commission portion of Interrogatory 17.11

.....

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

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

.....

17.19 Unfunded portion of Interrogatory 17.18

.....

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

.....

17.21 Case reserves portion of Interrogatory 17.18

.....

17.22 Incurred but not reported portion of Interrogatory 17.18

.....

17.23 Unearned premium portion of Interrogatory 17.18

.....

17.24 Contingent commission portion of Interrogatory 17.18

.....

18.1 Do you act as a custodian for health savings account?

Yes [] No [X]

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

.....

18.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

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

.....

FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	214,980,825	238,249,822	249,667,337	227,349,861	219,903,094
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	79,979,509	92,037,665	95,600,026	94,240,143	91,950,291
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	294,960,334	330,287,487	345,267,363	321,590,004	311,853,384
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).....	214,980,825	238,249,822	249,667,337	227,349,861	219,903,094
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	79,872,509	91,927,665	95,495,026	94,131,643	91,841,787
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	294,853,334	330,177,487	345,162,363	321,481,504	311,744,881
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(18,323,927)	(16,524,951)	(20,740,386)	(17,871,652)	8,288,748
14. Net investment gain (loss) (Line 11).....	11,253,476	13,984,196	17,452,386	(4,024,398)	12,525,934
15. Total other income (Line 15).....	27,453,998	28,543,931	29,634,683	23,507,785	28,824,689
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	505,598	6,207,966	4,769,860	6,647,637	14,347,085
18. Net income (Line 20).....	19,877,949	19,795,210	21,576,823	(5,035,901)	35,292,286
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	400,425,770	449,913,104	437,860,203	409,183,401	450,198,642
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	14,451,086	16,375,403	18,026,940	16,034,059	14,383,735
20.2 Deferred and not yet due (Line 15.2).....	41,011,646	46,335,287	48,980,379	49,413,867	51,698,112
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	260,856,448	267,565,633	266,692,326	255,744,157	277,582,287
22. Losses (Page 3, Line 1).....	97,700,791	119,153,011	121,489,730	116,149,122	121,880,348
23. Loss adjustment expenses (Page 3, Line 3).....	36,660,999	36,711,003	33,104,999	32,924,001	35,743,394
24. Unearned premiums (Page 3, Line 9).....	71,635,184	79,783,051	85,880,415	82,213,146	81,860,716
25. Capital paid up (Page 3, Lines 30 & 31).....	2,500,000	2,500,000	1,500,000	1,500,000	1,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	139,569,322	182,347,471	171,167,877	153,439,244	172,616,355
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(1,341,584)	16,083,735	32,565,263	8,033,695	18,843,612
Risk-Based Capital Analysis					
28. Total adjusted capital.....	139,569,322	182,347,471	171,167,877	153,439,244	172,616,355
29. Authorized control level risk-based capital.....	34,515,112	33,676,908	34,332,815	34,681,234	33,348,428
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	72.9	81.7	81.9	80.2	74.0
31. Stocks (Lines 2.1 & 2.2).....	6.9	5.1	2.0	7.0	15.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	1.1				
33. Real estate (Lines 4.1, 4.2 & 4.3).....	10.5	9.0	8.9	9.9	5.9
34. Cash, cash equivalents and short-term investments (Line 5).....	7.6	4.2	7.2	2.9	4.4
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....			XXX	XXX	XXX
37. Other invested assets (Line 8).....	0.5				
38. Receivable for securities (Line 9).....	0.5				
39. Securities lending reinvested collateral assets (Line 10).....			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

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).....	.....(80,651)	.....471,774	.....(113,299)	.....(2,470,326)	.....(1,078,391)
51. Dividends to stockholders (Line 35).....	.....(61,000,000)	.....(8,500,000)	.....(2,000,000)	.....(6,500,000)	.....(16,750,000)
52. Change in surplus as regards policyholders for the year (Line 38).....	.....(42,778,150)	.....11,179,594	.....17,728,634	.....(19,177,112)	.....15,470,095
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).....	.....130,202,724	.....135,609,373	.....138,059,940	.....134,142,996	.....126,155,714
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....45,791,222	.....47,008,100	.....49,828,362	.....55,451,664	.....49,127,155
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
58. Total (Line 35).....	.....175,993,946	.....182,617,473	.....187,888,302	.....189,594,661	.....175,282,869
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).....	.....130,202,724	.....135,609,373	.....138,059,940	.....134,142,996	.....126,170,714
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....45,791,222	.....47,008,100	.....49,828,362	.....55,451,664	.....49,127,155
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
64. Total (Line 35).....	.....175,993,946	.....182,617,473	.....187,888,302	.....189,594,661	.....175,297,869
Operating Percentages					
(Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1).....	.....100.0	.....100.0	.....100.0	.....100.0	.....100.0
66. Losses incurred (Line 2).....	.....51.0	.....53.6	.....56.6	.....57.3	.....51.6
67. Loss expenses incurred (Line 3).....	.....13.2	.....11.9	.....10.1	.....8.9	.....8.8
68. Other underwriting expenses incurred (Line 4).....	.....41.8	.....39.4	.....39.4	.....39.4	.....37.0
69. Net underwriting gain (loss) (Line 8).....	.....(6.0)	.....(4.9)	.....(6.1)	.....(5.6)	.....2.7
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).....	.....33.7	.....31.5	.....30.4	.....32.0	.....27.7
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	.....64.2	.....65.5	.....66.7	.....66.2	.....60.4
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).....	.....211.3	.....181.1	.....201.7	.....209.5	.....180.6
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).....	.....(13,220)	.....(11,974)	.....(12,326)	.....(11,886)	.....(32,153)
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).....	.....(7.2)	.....(7.0)	.....(8.0)	.....(6.9)	.....(20.5)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	.....(18,094)	.....(18,634)	.....(15,392)	.....(37,156)	.....(42,735)
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).....	.....(10.6)	.....(12.1)	.....(8.9)	.....(23.6)	.....(37.1)

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

Yes No

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....40	.....9	.....8	.....9	.....57	.....XXX.....			
2. 2002.....	....130,136	.....35	....130,101	....74,135	.....4,391	....7,921	.....2,858	....86,447	.....XXX.....			
3. 2003.....	....209,542		....209,542	....121,801	.....5,924	....12,114	.....5,169	....139,839	.....XXX.....			
4. 2004.....	....274,882		....274,882	....156,679	.....5,831	....16,822	.....6,695	....179,332	.....XXX.....			
5. 2005.....	....326,196		....326,196	....190,918	....125	....6,165	....23,214	....7,784	....220,172	.....XXX.....		
6. 2006.....	....335,025	....72	....334,953	....187,078	.....5,702	....25,032	.....8,069	....217,812	.....XXX.....			
7. 2007.....	....311,640	....97	....311,543	....174,521	.....5,204	....24,061	.....8,092	....203,786	.....XXX.....			
8. 2008.....	....321,239	....109	....321,130	....178,171	.....5,065	....25,348	.....8,245	....208,584	.....XXX.....			
9. 2009.....	....341,600	....105	....341,495	....186,407	.....4,860	....29,399	.....7,986	....220,666	.....XXX.....			
10. 2010.....	....336,385	....110	....336,275	....161,727	.....2,497	....27,736	.....7,131	....191,960	.....XXX.....			
11. 2011.....	....303,109	....107	....303,002	....106,548	.....363	....19,325	.....3,724	....126,236	.....XXX.....			
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....1,538,025	....125	....46,011	....0	....210,980	....0	....65,762	....1,794,891	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....13		....1		.....1	.....1	.....1	.....1	.....1	.....1		.....16	.....XXX.....
2. 2002.....	....(3)		....23		.....10	.....3	.....3	.....3	.....3	.....3		.....33	.....XXX.....
3. 2003.....	....10		....56		....119	.....11	.....11	.....11	.....11	.....11		.....196	.....XXX.....
4. 2004.....	....94		....107		....205	.....29	.....29	.....29	.....29	.....29		.....435	.....XXX.....
5. 2005.....	....193		....133		....245	.....45	.....45	.....45	.....45	.....45		.....616	.....XXX.....
6. 2006.....	....277		....199		....375	.....70	.....70	.....70	.....70	.....70		.....921	.....XXX.....
7. 2007.....	....843		....162		....674	....139	....139	....139	....139	....139		....1,818	.....XXX.....
8. 2008.....	....2,340		....213		....1,361	....288	....288	....288	....288	....288		....4,202	.....XXX.....
9. 2009.....	....7,106		....620		....4,179	....880	....880	....880	....880	....880		....12,785	.....XXX.....
10. 2010.....	....18,821		....2,368		....7,898	....2,584	....2,584	....2,584	....2,584	....2,584		....31,671	.....XXX.....
11. 2011.....	....53,385		....10,741		....9,193	....8,351	....8,351	....8,351	....8,351	....8,351		....81,670	.....XXX.....
12. Totals.....	....83,079	....0	....14,623	....0	....0	....24,260	....0	....12,401	....0	....5,657	....134,363	.....XXX.....	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	Loss	Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....	.....	....XXX.....	.....14	.....2
2. 2002.....	....86,480	....0	....86,480	....66.5	....0.0	....66.5	.....	.....	.....	.....20	.....13
3. 2003.....	....140,035	....0	....140,035	....66.8	....0.0	....66.8	.....	.....	.....	.....66	.....130
4. 2004.....	....179,767	....0	....179,767	....65.4	....0.0	....65.4	.....	.....	.....	....201	....234
5. 2005.....	....220,913	....125	....220,788	....67.7	....0.0	....67.7	.....	.....	.....	....326	....290
6. 2006.....	....218,733	....0	....218,733	....65.3	....0.0	....65.3	.....	.....	.....	....476	....445
7. 2007.....	....205,604	....0	....205,604	....66.0	....0.0	....66.0	.....	.....	.....	....1,005	....813
8. 2008.....	....212,786	....0	....212,786	....66.2	....0.0	....66.3	.....	.....	.....	....2,553	....1,649
9. 2009.....	....233,451	....0	....233,451	....68.3	....0.0	....68.4	.....	.....	.....	....7,726	....5,059
10. 2010.....	....223,631	....0	....223,631	....66.5	....0.0	....66.5	.....	.....	.....	....21,189	....10,482
11. 2011.....	....207,906	....0	....207,906	....68.6	....0.0	....68.6	.....	.....	.....	....64,126	....17,544
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0	....0	....XXX.....	....97,702	....36,661

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of

Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 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.....	7,701	9,270	10,245	11,084	10,104	10,292	10,408	10,448	10,442	10,432	(10)	(16)
2. 2002....	79,183	76,007	78,215	79,736	79,069	78,664	78,767	78,646	78,571	78,556	(15)	(90)
3. 2003....	XXX.....	130,956	130,702	133,238	130,086	128,696	128,286	128,217	127,976	127,910	(66)	(307)
4. 2004....	XXX.....	XXX.....	170,085	175,251	168,046	164,092	163,523	163,326	162,967	162,916	(51)	(410)
5. 2005....	XXX.....	XXX.....	XXX.....	224,969	209,898	199,799	199,170	198,735	197,947	197,529	(418)	(1,206)
6. 2006....	XXX.....	XXX.....	XXX.....	XXX.....	215,911	199,418	195,804	195,235	194,040	193,631	(409)	(1,604)
7. 2007....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	192,763	185,880	183,725	182,420	181,404	(1,016)	(2,321)
8. 2008....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	200,032	191,212	188,873	187,150	(1,723)	(4,062)
9. 2009....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	211,250	205,584	203,172	(2,412)	(8,078)	
10. 2010....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	200,411	193,311	(7,100)	XXX.....
11. 2011....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	180,230	XXX.....	XXX.....
										12. Totals.....	(13,220)	(18,094)

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011		
1. Prior.....	000.....	4,287	7,788	9,071	9,963	10,137	10,316	10,365	10,368	10,417	XXX.....	XXX.....
2. 2002....	43,677	65,033	73,231	76,410	77,353	78,054	78,370	78,492	78,498	78,526	XXX.....	XXX.....
3. 2003....	XXX.....	73,356	109,213	120,891	125,388	127,032	127,297	127,568	127,700	127,725	XXX.....	XXX.....
4. 2004....	XXX.....	XXX.....	95,016	140,324	154,229	159,480	161,347	162,057	162,321	162,510	XXX.....	XXX.....
5. 2005....	XXX.....	XXX.....	XXX.....	117,348	171,845	187,048	193,761	196,103	196,700	196,958	XXX.....	XXX.....
6. 2006....	XXX.....	XXX.....	XXX.....	XXX.....	112,849	167,275	184,412	190,190	192,045	192,780	XXX.....	XXX.....
7. 2007....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	103,080	158,345	172,908	178,028	179,725	XXX.....	XXX.....
8. 2008....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	113,622	164,476	178,168	183,236	XXX.....	XXX.....
9. 2009....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	119,095	174,426	191,267	XXX.....	XXX.....
10. 2010....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	111,856	164,224	XXX.....	XXX.....
11. 2011....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	106,911	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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior.....	1,915	1,884	1,630	1,329	118	96	59	62	51	2
2. 2002....	11,118	4,286	2,698	2,011	.999	270	.246	.152	.55	.33
3. 2003....	XXX.....	19,676	13,923	7,389	2,999	1,136	.679	.491	.230	.175
4. 2004....	XXX.....	XXX.....	36,494	18,399	7,277	2,561	.1,467	.905	.397	.312
5. 2005....	XXX.....	XXX.....	XXX.....	47,749	16,127	5,252	2,706	1,810	.855	.378
6. 2006....	XXX.....	XXX.....	XXX.....	XXX.....	42,846	9,596	.4,456	2,669	.1,087	.574
7. 2007....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	27,767	.7,496	.3,516	.1,795	.836
8. 2008....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	22,564	.7,544	.3,435	.1,574
9. 2009....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	20,899	.8,480	.4,799
10. 2010....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	21,439	.10,266
11. 2011....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	.19,934

Safe Auto Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL	N							
2. Alaska.....	AK	N							
3. Arizona.....	AZ	L	10,951,128	11,377,546		5,983,541	5,673,212	3,618,503	854,342
4. Arkansas.....	AR	L							
5. California.....	CA	L							
6. Colorado.....	CO	L							
7. Connecticut.....	CT	N							
8. Delaware.....	DE	N							
9. District of Columbia.....	DC	N							
10. Florida.....	FL	N							
11. Georgia.....	GA	L	23,157,553	24,131,002		14,512,964	12,650,059	7,782,557	1,914,232
12. Hawaii.....	HI	N							
13. Idaho.....	ID	N							
14. Illinois.....	IL	L	15,782,731	16,561,528		9,387,354	7,859,348	5,972,802	1,903,915
15. Indiana.....	IN	L	26,875,748	28,116,710		15,465,535	13,229,204	8,529,644	4,760,878
16. Iowa.....	IA	N							
17. Kansas.....	KS	L	494,850	357,536		80,928	212,945	132,016	23,876
18. Kentucky.....	KY	L	29,579,525	28,637,095		17,308,167	15,611,291	12,193,455	2,106,323
19. Louisiana.....	LA	L	3,947,703	4,343,413		2,353,282	2,133,930	1,202,572	186,538
20. Maine.....	ME	N							
21. Maryland.....	MD	N							
22. Massachusetts.....	MA	N							
23. Michigan.....	MI	N							
24. Minnesota.....	MN	N							
25. Mississippi.....	MS	L	1,765,738	1,754,074		953,050	655,385	6,574,957	140,210
26. Missouri.....	MO	L	19,912,334	21,065,421		15,666,645	13,183,152	836,196	2,066,886
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	54,836,072	56,398,397		30,540,769	26,789,141	13,876,500	5,994,921
37. Oklahoma.....	OK	L	7,509,668	7,856,987		4,894,650	4,369,558	2,924,747	781,244
38. Oregon.....	OR	N							
39. Pennsylvania.....	PA	L	54,520,842	55,516,125		30,369,551	26,626,456	19,076,282	5,488,950
40. Rhode Island.....	RI	N							
41. South Carolina.....	SC	L	11,811,005	11,879,276		8,012,644	6,497,548	4,476,369	1,111,688
42. South Dakota.....	SD	N							
43. Tennessee.....	TN	L	9,191,904	9,316,000		5,244,942	5,151,707	2,967,873	848,237
44. Texas.....	TX	L	23,944,999	25,400,240		15,149,635	13,665,281	7,373,099	1,566,256
45. Utah.....	UT	N							
46. Vermont.....	VT	N							
47. Virginia.....	VA	L	678,535	396,847		70,290	233,508	163,218	30,985
48. Washington.....	WA	N							
49. West Virginia.....	WV	N							
50. Wisconsin.....	WI	N							
51. Wyoming.....	WY	N							
52. American Samoa.....	AS	N							
53. Guam.....	GU	N							
54. Puerto Rico.....	PR	N							
55. US Virgin Islands.....	VI	N							
56. Northern Mariana Islands.....	MP	N							
57. Canada.....	CN	N							
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0	0
59. Totals.....		(a) 19	294,960,334	303,108,197	0	175,993,947	154,541,725	97,700,790	29,779,481

DETAILS OF WRITE-INS

5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

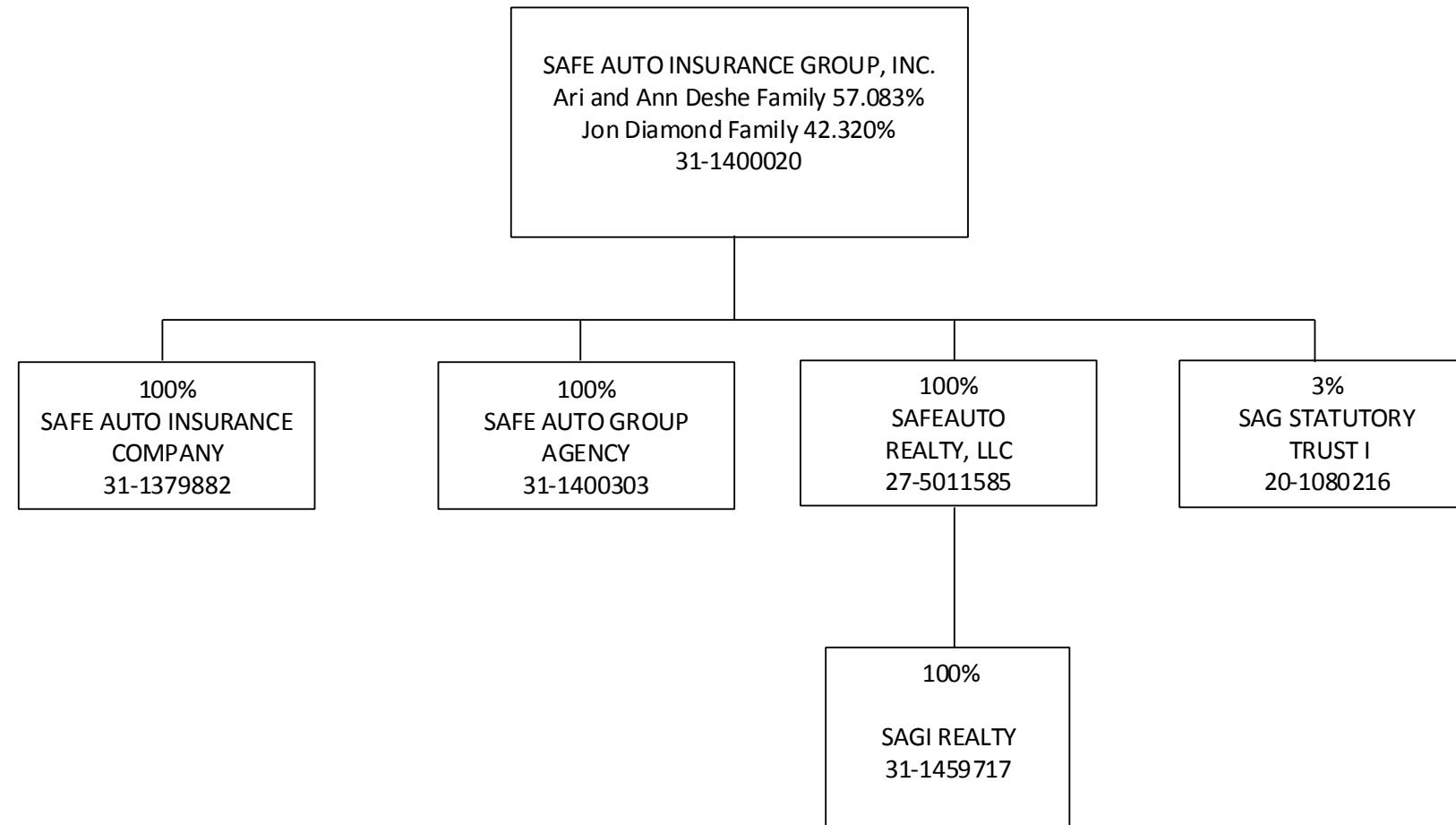
(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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



2011 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

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