



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE
LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code	0207	0207	NAIC Company Code	26123	Employer's ID Number	34-0359380
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile				United States		
Incorporated/Organized	01/01/1906			Commenced Business		03/01/1906
Statutory Home Office	1685 Cleveland Road			Wooster, OH 44691-0036		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	1685 Cleveland Road			Wooster, OH 44691-0036		330-262-9060
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Mail Address	1685 Cleveland Road			Wooster, OH 44691-0036		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	1685 Cleveland Road			Wooster, OH 44691-0036		330-262-9060
	(Street and Number)			(City or Town, State and Zip Code)		(Area Code) (Telephone Number)
Internet Website Address				www.wrg-ins.com		
Statutory Statement Contact	Joseph Earl Wilford			330-262-9060-2437		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	Joe_Wilford@wrg-ins.com			330-264-7822		
	(E-mail Address)			(Fax Number)		

OFFICERS

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

OTHER OFFICERS

GREGORY J. OWEN	VP INFORMATION TECHNOLOGY	GREGORY A. BRUNN	VP MARKETING AND UNDERWRITING
KEVIN W. DAY	EXECUTIVE VP CLAIMS		

DIRECTORS OR TRUSTEES

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

State ofOHIO.....
County ofWAYNE..... ss

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

JOHN P. MURPHY PRESIDENT	JOHN P. MURPHY SECRETARY	MICHAEL A. SHUTT VICE PRESIDENT/CFO/TREASURER
Subscribed and sworn to before me this 28 day of February, 2012		a. Is this an original filing? Yes [X] No [] b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached
Mary Lou Hart Notary Public March 8, 2015		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	103,795,225		103,795,225	103,620,376
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,832,281		1,832,281	1,835,958
2.2 Common stocks	58,766,447	263,165	58,503,282	60,411,417
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0		0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	6,002,167		6,002,167	6,242,106
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$16,280,582 , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$3,094,223 , Schedule DA)	19,374,805		19,374,805	16,980,126
6. Contract loans (including \$premium notes).....	0		0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA)	5,056,795		5,056,795	5,260,556
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0		0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	194,827,720	263,165	194,564,555	194,350,539
13. Title plants less \$charged off (for Title insurers only).....	0		0	0
14. Investment income due and accrued	1,144,542		1,144,542	1,159,782
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,921,142	44,352	15,876,790	14,317,498
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....	0		0	0
15.3 Accrued retrospective premiums.....	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,056,314	92,381	963,933	538,876
16.2 Funds held by or deposited with reinsured companies	0		0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0		0	903,152
18.2 Net deferred tax asset.....	1,315,066		1,315,066	0
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software.....	92,704		92,704	92,704
21. Furniture and equipment, including health care delivery assets (\$)	647,773	647,773	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	0
24. Health care (\$) and other amounts receivable.....	0		0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	215,005,261	1,047,671	213,957,590	211,362,551
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0		0	0
28. Total (Lines 26 and 27)	215,005,261	1,047,671	213,957,590	211,362,551
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	27,902,250	24,518,708
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	5,450,500	5,450,500
4. Commissions payable, contingent commissions and other similar charges	2,280,758	2,856,676
5. Other expenses (excluding taxes, licenses and fees)	2,386,607	3,874,280
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,148,506	1,093,370
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses)).....	0	0
7.2 Net deferred tax liability	0	546,351
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$696,687 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$for medical loss ratio rebate per the Public Health Service Act)	41,819,323	38,574,174
10. Advance premium.....	476,312	552,336
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	301,337	330,328
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	28,164	1,067
14. Amounts withheld or retained by company for account of others	6,166,601	6,976,065
15. Remittances and items not allocated.....	0	0
16. Provision for reinsurance (Schedule F, Part 7)	293,040	293,040
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending.....	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	88,253,398	85,066,895
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	88,253,398	85,066,895
29. Aggregate write-ins for special surplus funds	632,486	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	125,071,706	126,295,656
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	125,704,192	126,295,656
38. Totals (Page 2, Line 28, Col. 3)	213,957,590	211,362,551
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901. Surplus from SSAP No. 10R.....	632,486	0
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	632,486	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	86,734,599	82,756,388
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	56,613,542	50,197,029
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	8,105,761	8,132,547
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	30,458,859	30,466,590
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	95,178,162	88,796,166
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(8,443,563)	(6,039,778)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	4,807,848	4,738,022
10. Net realized capital gains (losses) less capital gains tax of \$748,069 (Exhibit of Capital Gains (Losses)).....	1,452,134	1,012,793
11. Net investment gain (loss) (Lines 9 + 10)	6,259,982	5,750,815
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$(77,412))	(77,412)	(40,554)
13. Finance and service charges not included in premiums.....	1,495,243	1,344,602
14. Aggregate write-ins for miscellaneous income	(6,730)	(161,006)
15. Total other income (Lines 12 through 14)	1,411,101	1,143,042
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(772,480)	854,079
17. Dividends to policyholders	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(772,480)	854,079
19. Federal and foreign income taxes incurred	(791,670)	(457,141)
20. Net income (Line 18 minus Line 19) (to Line 22)	19,190	1,311,220
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	126,295,656	122,603,725
22. Net income (from Line 20)	19,190	1,311,220
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$(807,449)	(1,567,400)	2,410,821
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	421,482	(118,133)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(97,222)	88,023
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1 Paid in	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0
32.3 Transferred to surplus	0	0
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)	0	0
33.3 Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	632,486	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(591,464)	3,691,931
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	125,704,192	126,295,656
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 through 0503 plus 0598) (Line 5 above)	0	0
1401. OTHER INCOME.....	17,249	(23,369)
1402. GAIN/(LOSS) SALE OF EQUIPMENT.....	(23,979)	(137,637)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(6,730)	(161,006)
3701. Change in surplus from SSAP No. 10R.....	632,486	0
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	632,486	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	88,314,233	84,748,944
2. Net investment income.....	5,159,564	5,153,331
3. Miscellaneous income.....	1,411,101	1,143,038
4. Total (Lines 1 through 3).....	94,884,898	91,045,313
5. Benefit and loss related payments.....	53,747,438	50,722,725
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	40,573,075	37,715,785
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(946,753)	31,121
10. Total (Lines 5 through 9).....	93,373,760	88,469,631
11. Net cash from operations (Line 4 minus Line 10).....	1,511,138	2,575,682
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	13,153,459	16,225,454
12.2 Stocks.....	17,511,141	21,493,663
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	1	1
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	30,664,601	37,719,118
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	13,165,910	15,773,393
13.2 Stocks.....	15,813,450	25,435,885
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	10,746	43,053
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	28,990,106	41,252,331
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	1,674,495	(3,533,213)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	(790,954)	(59,124)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(790,954)	(59,124)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	2,394,679	(1,016,655)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	16,980,126	17,996,781
19.2 End of year (Line 18 plus Line 19.1).....	19,374,805	16,980,126

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	1,402,268	739,996	864,362	1,277,902
2.	Allied lines	783,656	372,100	433,864	721,892
3.	Farmowners multiple peril	7,825,959	3,988,233	4,305,075	7,509,117
4.	Homeowners multiple peril	23,013,281	11,841,543	13,388,348	21,466,476
5.	Commercial multiple peril	8,977,421	4,403,335	4,786,531	8,594,225
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	721,140	363,958	382,190	702,908
10.	Financial guaranty	0	0	0	0
11.1	Medical professional liability - occurrence	0	0	0	0
11.2	Medical professional liability - claims-made	0	0	0	0
12.	Earthquake	18,189	8,244	9,037	17,396
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	478,505	215,671	238,808	455,368
17.1	Other liability - occurrence	400,864	224,180	237,530	387,514
17.2	Other liability - claims-made	69	0	49	20
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability - occurrence	61,579	32,052	33,219	60,412
18.2	Products liability - claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	22,637,518	7,557,531	8,062,372	22,132,677
19.3,19.4	Commercial auto liability	3,328,563	1,522,817	1,624,709	3,226,671
21.	Auto physical damage	20,207,346	7,246,865	7,388,322	20,065,889
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	51,896	26,269	28,420	49,745
27.	Boiler and machinery	71,494	31,380	36,487	66,387
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance - nonproportional assumed property	0	0	0	0
32.	Reinsurance - nonproportional assumed liability	0	0	0	0
33.	Reinsurance - nonproportional assumed financial Lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	89,979,748	38,574,174	41,819,323	86,734,599
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 + 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	864,362				864,362
2.	Allied lines	433,864				433,864
3.	Farmowners multiple peril	4,305,075				4,305,075
4.	Homeowners multiple peril	13,388,348				13,388,348
5.	Commercial multiple peril	4,786,531				4,786,531
6.	Mortgage guaranty	0				0
8.	Ocean marine	0				0
9.	Inland marine	382,190				382,190
10.	Financial guaranty	0				0
11.1	Medical professional liability - occurrence	0				0
11.2	Medical professional liability - claims-made	0				0
12.	Earthquake	9,037				9,037
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	238,808				238,808
17.1	Other liability - occurrence	237,530				237,530
17.2	Other liability - claims-made	49				49
17.3	Excess workers' compensation	0				0
18.1	Products liability - occurrence	33,219				33,219
18.2	Products liability - claims-made	0				0
19.1,19.2	Private passenger auto liability	8,062,372				8,062,372
19.3,19.4	Commercial auto liability	1,624,709				1,624,709
21.	Auto physical damage	7,388,322				7,388,322
22.	Aircraft (all perils)	0				0
23.	Fidelity	0				0
24.	Surety	0				0
26.	Burglary and theft	28,420				28,420
27.	Boiler and machinery	36,487				36,487
28.	Credit	0				0
29.	International	0				0
30.	Warranty.....	0				0
31.	Reinsurance - nonproportional assumed property	0				0
32.	Reinsurance - nonproportional assumed liability	0				0
33.	Reinsurance - nonproportional assumed financial lines	0				0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	41,819,323	0	0	0	41,819,323
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					41,819,323
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

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	7,499	2,542,620	0	1,147,310	541	1,402,268
2.	Allied lines	8,130	1,417,268	0	641,172	570	783,656
3.	Farmowners multiple peril	15,144,472	329,967	0	6,403,058	1,245,422	7,825,959
4.	Homeowners multiple peril	25,774,849	18,349,972	0	18,828,991	2,282,549	23,013,281
5.	Commercial multiple peril	7,726,505	9,112,532	0	7,345,162	516,454	8,977,421
6.	Mortgage guaranty	0	0	0	0	0	0
8.	Ocean marine	0	0	0	0	0	0
9.	Inland marine	675,701	689,355	0	590,024	53,892	721,140
10.	Financial guaranty	0	0	0	0	0	0
11.1	Medical professional liability - occurrence	0	0	0	0	0	0
11.2	Medical professional liability - claims-made	0	0	0	0	0	0
12.	Earthquake	19,019	15,422	0	14,883	1,369	18,189
13.	Group accident and health	0	0	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0	0	0
15.	Other accident and health	0	0	0	0	0	0
16.	Workers' compensation	0	870,010	0	391,505	0	478,505
17.1	Other liability - occurrence	442,252	619,937	0	327,979	333,346	400,864
17.2	Other liability - claims-made	5,713	125	0	56	5,713	69
17.3	Excess workers' compensation	0	0	0	0	0	0
18.1	Products liability - occurrence	35,058	77,731	0	50,382	828	61,579
18.2	Products liability - claims-made	0	0	0	0	0	0
19.1,19.2	Private passenger auto liability	12,617,762	28,603,438	0	18,522,605	61,077	22,637,518
19.3,19.4	Commercial auto liability	3,305,392	2,822,616	0	2,723,371	76,074	3,328,563
21.	Auto physical damage	12,738,994	24,357,102	0	16,533,282	355,468	20,207,346
22.	Aircraft (all perils)	0	0	0	0	0	0
23.	Fidelity	0	0	0	0	0	0
24.	Surety	0	0	0	0	0	0
26.	Burglary and theft	57,615	40,936	0	42,461	4,194	51,896
27.	Boiler and machinery	310,816	34,351	0	58,494	215,179	71,494
28.	Credit	0	0	0	0	0	0
29.	International	0	0	0	0	0	0
30.	Warranty.....	0	0	0	0	0	0
31.	Reinsurance - nonproportional assumed property	XXX	0	0	0	0	0
32.	Reinsurance - nonproportional assumed liability	XXX	0	0	0	0	0
33.	Reinsurance - nonproportional assumed financial lines	XXX	0	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	78,869,777	89,883,382	0	73,620,735	5,152,676	89,979,748
DETAILS OF WRITE-INS							
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

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	2	3	4				
		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)				
1.	Fire .....	.0	774,575	348,559	426,016	52,210	122,421	355,805	27.8
2.	Allied lines .....	.0	1,329,342	599,907	729,435	124,367	89,980	763,822	105.8
3.	Farmowners multiple peril	8,860,317	48,510	5,208,554	3,700,273	1,701,296	1,288,357	4,113,212	54.8
4.	Homeowners multiple peril	25,261,204	11,632,971	20,981,924	15,912,251	3,999,890	3,654,817	16,257,324	75.7
5.	Commercial multiple peril	6,527,611	3,566,945	5,458,490	4,636,066	3,122,791	2,444,059	5,314,798	61.8
6.	Mortgage guaranty .....	.0	.0	.0	.0	.0	.0	.0	0.0
8.	Ocean marine .....	.0	.0	.0	.0	.0	.0	.0	0.0
9.	Inland marine	274,253	217,772	282,029	209,996	68,496	90,038	188,454	26.8
10.	Financial guaranty .....	.0	.0	.0	.0	.0	.0	.0	0.0
11.1	Medical professional liability - occurrence .....	.0	.0	.0	.0	.0	.0	.0	0.0
11.2	Medical professional liability - claims-made .....	.0	.0	.0	.0	.0	.0	.0	0.0
12.	Earthquake .....	.0	.0	.0	.0	.0	.0	.0	0.0
13.	Group accident and health .....	.0	.0	.0	.0	.0	.0	.0	0.0
14.	Credit accident and health (group and individual) .....	.0	.0	.0	.0	.0	.0	.0	0.0
15.	Other accident and health .....	.0	.0	.0	.0	.0	.0	.0	0.0
16.	Workers' compensation .....	.0	372,229	167,503	204,726	111,328	138,528	177,526	39.0
17.1	Other liability - occurrence	3,908	53,477	25,823	31,562	317,627	244,528	104,661	27.0
17.2	Other liability - claims-made .....	.0	.0	.0	.0	.0	.0	.0	0.0
17.3	Excess workers' compensation .....	.0	.0	.0	.0	.0	.0	.0	0.0
18.1	Products liability - occurrence	21,947	3,214	11,322	13,839	5,501	8,250	11,090	18.4
18.2	Products liability - claims-made .....	.0	.0	.0	.0	.0	.0	.0	0.0
19.1,19.2	Private passenger auto liability	8,224,490	17,241,614	11,459,747	14,006,357	15,434,064	13,476,163	15,964,258	72.1
19.3,19.4	Commercial auto liability	705,523	998,080	766,621	936,982	1,739,427	1,768,931	907,478	28.1
21.	Auto physical damage	7,440,380	15,758,947	10,785,067	12,414,260	1,190,512	1,173,388	12,431,384	62.0
22.	Aircraft (all perils) .....	.0	.0	.0	.0	.0	.0	.0	0.0
23.	Fidelity .....	.0	.0	.0	.0	.0	.0	.0	0.0
24.	Surety .....	.0	.0	.0	.0	.0	.0	.0	0.0
26.	Burglary and theft	7,315	7,664	6,742	8,237	34,741	19,248	23,730	47.7
27.	Boiler and machinery	75,888	.0	75,888	.0	.0	.0	.0	0.0
28.	Credit .....	.0	.0	.0	.0	.0	.0	.0	0.0
29.	International .....	.0	.0	.0	.0	.0	.0	.0	0.0
30.	Warranty .....	.0	.0	.0	.0	.0	.0	.0	0.0
31.	Reinsurance - nonproportional assumed property	XXX	.0	.0	.0	.0	.0	.0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX	.0	.0	.0	.0	.0	.0	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX	.0	.0	.0	.0	.0	.0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	57,402,836	52,005,340	56,178,176	53,230,000	27,902,250	24,518,708	56,613,542	65.3
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

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

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire .....	.0	.36,904	.16,607	.20,297	.0	.74,949	.43,036	.52,210	.0
2.	Allied lines .....	.0	147,714	.66,471	.81,243	.0	156,926	113,802	124,367	.53,350
3.	Farmowners multiple peril	2,472,596	.16,064	1,313,164	1,175,496	1,010,460	.6,595	491,255	1,701,296	218,900
4.	Homeowners multiple peril	3,996,502	2,484,903	3,278,894	3,202,511	902,369	549,304	654,294	3,999,890	752,950
5.	Commercial multiple peril	2,312,636	2,053,576	2,366,522	1,999,690	987,448	1,125,079	989,426	3,122,791	1,926,650
6.	Mortgage guaranty .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.	Ocean marine .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.	Inland marine	18,303	10,604	14,196	14,711	.0	53,785	.0	68,496	.0
10.	Financial guaranty .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
11.1	Medical professional liability - occurrence .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
11.2	Medical professional liability - claims-made .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.	Earthquake .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13.	Group accident and health .....	.0	.0	.0	.0	.0	.0	.0	(a)	.0
14.	Credit accident and health (group and individual) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.	Other accident and health .....	.0	.0	.0	.0	.0	.0	.0	(a)	.0
16.	Workers' compensation .....	.0	57,414	25,836	31,578	.0	144,729	64,979	111,328	26,950
17.1	Other liability - occurrence	2,002	423,504	191,478	234,028	249,020	128,544	293,965	317,627	138,600
17.2	Other liability - claims-made .....	.1	.0	.0	.0	.0	.0	.0	.0	.0
17.3	Excess workers' compensation .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
18.1	Products liability - occurrence	10,001	.1	4,501	5,501	.0	.0	.0	5,501	.0
18.2	Products liability - claims-made .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability	7,434,116	19,076,821	11,929,923	14,581,014	744,931	1,145,608	1,037,489	15,434,064	1,760,550
19.3,19.4	Commercial auto liability	999,407	1,579,188	1,160,368	1,418,227	238,153	346,136	263,089	1,739,427	308,000
21.	Auto physical damage	462,646	990,164	659,397	793,413	234,766	496,184	333,851	1,190,512	264,550
22.	Aircraft (all perils) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
23.	Fidelity .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
24.	Surety .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
26.	Burglary and theft .....	.0	63,165	28,424	34,741	.0	.0	.0	34,741	.0
27.	Boiler and machinery	17,115	.0	17,115	.0	.0	.0	.0	.0	.0
28.	Credit .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
29.	International .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
30.	Warranty .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
31.	Reinsurance - nonproportional assumed property	XXX	.0	.0	.0	XXX	.0	.0	.0	.0
32.	Reinsurance - nonproportional assumed liability	XXX	.0	.0	.0	XXX	.0	.0	.0	.0
33.	Reinsurance - nonproportional assumed financial lines	XXX	.0	.0	.0	XXX	.0	.0	.0	.0
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS	17,725,325	26,940,022	21,072,897	23,592,450	4,367,147	4,227,839	4,285,186	27,902,250	5,450,500
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	2,787,221			2,787,221
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	97,067			97,067
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	2,690,154	0	0	2,690,154
2. Commission and brokerage:				
2.1 Direct, excluding contingent		14,827,414		14,827,414
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent		352,149		352,149
2.4 Contingent-direct		982,300		982,300
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	15,457,565	0	15,457,565
3. Allowances to manager and agents		204,724		204,724
4. Advertising		61,609		61,609
5. Boards, bureaus and associations	28,251	319,717		347,968
6. Surveys and underwriting reports		1,380,853		1,380,853
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	3,187,375	5,488,479	390,150	9,066,004
8.2 Payroll taxes	247,058	432,322	35,702	715,082
9. Employee relations and welfare	367,428	947,581	12,248	1,327,257
10. Insurance	16,146	26,909	50,244	93,299
11. Directors' fees	35,574	140,517	1,779	177,870
12. Travel and travel items	45,618	454,337	11,404	511,359
13. Rent and rent items	148,500	321,750	24,750	495,000
14. Equipment	109,901	321,330	75,576	506,807
15. Cost or depreciation of EDP equipment and software	303,529	1,198,938	15,176	1,517,643
16. Printing and stationery	20,821	193,344	10,411	224,576
17. Postage, telephone and telegraph, exchange and express	81,950	726,180	16,390	824,520
18. Legal and auditing	823,456	1,096,466	394,437	2,314,359
19. Totals (Lines 3 to 18)	5,415,607	13,315,056	1,038,267	19,768,930
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		1,069,541		1,069,541
20.2 Insurance department licenses and fees		575,761		575,761
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)		21,157		21,157
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	1,666,459	0	1,666,459
21. Real estate expenses			292,087	292,087
22. Real estate taxes			105,403	105,403
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	19,779	0	19,779
25. Total expenses incurred	8,105,761	30,458,859	1,435,757 (a)	40,000,377
26. Less unpaid expenses - current year	5,450,500	5,751,715	64,156	11,266,371
27. Add unpaid expenses - prior year	5,450,500	7,762,944	61,382	13,274,826
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	8,105,761	32,470,088	1,432,983	42,008,832
DETAILS OF WRITE-INS				
2401. Charitable Contributions		19,779		19,779
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	19,779	0	19,779

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....1,102,985	.....1,050,280
1.1	Bonds exempt from U.S. tax	(a) .....1,095,396	.....1,100,605
1.2	Other bonds (unaffiliated)	(a) .....2,074,612	.....2,098,675
1.3	Bonds of affiliates	(a) .....0	.....
2.1	Preferred stocks (unaffiliated)	(b) .....136,913	.....136,913
2.11	Preferred stocks of affiliates	(b) .....0	.....
2.2	Common stocks (unaffiliated) .....	.....1,713,358	.....1,721,610
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....360,000	.....360,000
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) .....7,087	.....7,087
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....19,119	.....19,119
10.	Total gross investment income	6,509,470	6,494,289
11.	Investment expenses		(g) .....1,435,756
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) .....250,685
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....1,686,441
17.	Net investment income (Line 10 minus Line 16)		4,807,848
DETAILS OF WRITE-INS			
0901.	Enron Corporation .....	.....19,067	.....19,067
0902.	Lucent Technologies .....	.....13	.....13
0903.	Nortel Securities .....	.....39	.....39
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	19,119	19,119
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$107,949 accrual of discount less \$193,741 amortization of premium and less \$79,831 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
(d) Includes \$360,000 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$250,685 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5.
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....98,519	.....	.....98,519	.....149,670	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....0	.....	.....
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....(3,677)	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....2,101,684	.....0	.....2,101,684	.....(2,312,128)	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....(4,954)	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....0	.....0	.....0
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....0	.....0	.....0	.....(203,761)	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	2,200,203	0	2,200,203	(2,374,850)	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	263,165	268,119	4,954
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	263,165	268,119	4,954
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	44,352	43,144	(1,208)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	92,381	0	(92,381)
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets.....	647,773	639,186	(8,587)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,047,671	950,449	(97,222)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	1,047,671	950,449	(97,222)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Lightning Rod Mutual Insurance Company are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance 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, for determining its solvency under 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.

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

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

C. Accounting Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

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

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method; U.S. Treasury Inflation-Indexed bonds are stated at amortized cost adjusted for unrealized inflation factor gains.
- (3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) The Company has no mortgage loans.
- (6) The Company has no loan-backed securities.
- (7) The Company carries investments in subsidiaries, Forward Agencies, Inc. and Western Reserve Financial Corporation, at statutory equity as reported on Schedule D; these assets are reported as nonadmitted on page 2, column 2.
- (8) The Company has minor ownership interests in partnerships. The Company carries these interests based on underlying unaudited GAAP equity of the investee.
- (9) The Company has no derivative instrument investments.
- (10) The Company does not utilize anticipated investment income in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual are reported as changes in accounting principles. The cumulative effect of the changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all periods.

The Company has not made any accounting changes or error corrections for the periods ending December 31, 2011 and 2010, respectively.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

Not applicable.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Real Estate

Not applicable.

G. Low-income Housing Tax Credits ("LIHTC")

Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.

7. Investment Income

The Company has no uncollectible accrued investment income.

8. Derivative Instruments

Not applicable.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

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

1.

	December 31, 2011			December 31, 2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 8,568,557	\$ 1,327,021	\$ 9,895,578	\$ 7,278,911	\$ 1,592,277	\$ 8,871,188
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets	8,568,557	1,327,021	9,895,578	7,278,911	1,592,277	8,871,188
(d) Deferred Tax Liabilities	(8,580,512)	-	(8,580,512)	(9,417,541)	-	(9,417,541)
(e) Subtotal Net Deferred Tax Asset/ (Net Deferred Tax Liability)	(11,955)	1,327,021	1,315,066	(2,138,630)	1,592,277	(546,353)
(f) Deferred Tax Assets Nonsadmitted	-	-	-	-	-	-
(g) Net Admitted Deferred Tax Asset/ (Net Deferred Tax Liability)	\$ (11,955)	\$ 1,327,021	\$ 1,315,066	\$ (2,138,630)	\$ 1,592,277	\$ (546,353)

	Change Ordinary	Change Capital	Change Total
(a) Gross Deferred Tax Assets	\$ 1,289,646	\$ (265,256)	\$ 1,024,390
(b) Statutory Valuation Allowance Adjustment	-	-	-
(c) Adjusted Gross Deferred Tax Assets	1,289,646	(265,256)	1,024,390
(d) Deferred Tax Liabilities	837,029	-	837,029
(e) Subtotal Net Deferred Tax Asset/ (Net Deferred Tax Liability)	2,126,675	(265,256)	1,861,419
(f) Deferred Tax Assets Nonsadmitted	-	-	-
(g) Net Admitted Deferred Tax Asset/ (Net Deferred Tax Liability)	\$ 2,126,675	\$ (265,256)	\$ 1,861,419

2. The Company has elected to admit deferred tax assets pursuant to SSAP No. 10R, Paragraph 10.e. for the year ended December 31, 2011.
3. The increased amount by tax character and the change in such, of admitted adjusted gross deferred tax assets as a result of the application of SSAP No. 10R, Paragraph 10.e. is shown below (see 4.).

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

A. (continued)

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

	December 31, 2011			December 31, 2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:						
(a) Admitted under SSAP No. 10R, Paragraph 10.a. from prior years Income tax loss carrybacks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) SSAP No. 10R, Paragraph 10.b. (the lesser of Paragraph 10.b.i. and 10.b.ii. below):						
(c) Expected to be recognized within One year under SSAP No. 10R, Paragraph 10.b.i.	682,580	-	682,580	-	-	-
(d) 10% of adjusted capital and surplus Under SSAP No. 10R, Paragraph 10.b.ii.	11,346,550	1,044,821	12,391,371	7,278,912	1,592,277	8,871,189
Lesser of (c) or (d)	682,580	-	682,580	-	-	-
(e) Offsetting existing deferred tax Liabilities under SSAP No. 10R, Paragraph 10.c.	8,580,512	-	8,580,512	7,278,912	1,592,277	8,871,189
(f) Total	\$ 9,263,092	\$ -	\$ 9,263,092	\$ 7,278,912	\$ 1,592,277	\$ 8,871,189
Admission Calculation Components SSAP No. 10R, Paragraph 10.e.:						
(g) Admitted under SSAP No. 10R, Paragraph 10.e.i. from prior years Income tax loss carrybacks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(h) SSAP No. 10R, Paragraph 10.e.ii. (the lesser of Paragraph 10.e.ii.a. and 10.e.ii.b. below):						
(i) Expected to be recognized within One year under SSAP No. 10R, Paragraph 10.e.ii.a.	632,486	-	632,486	-	-	-
(j) 15% of adjusted capital and surplus Under SSAP No. 10R, Paragraph 10.e.ii.b.	18,586,975	-	18,586,975	-	-	-
Lesser of (i) or (j)	632,486	-	632,486	-	-	-
(k) Offsetting existing deferred tax Liabilities under SSAP No. 10R, Paragraph 10.e.ii.	-	-	-	-	-	-
(l) Total	\$ 632,486	\$ -	\$ 632,486	\$ -	\$ -	\$ -
Total admitted adjusted gross Deferred tax assets	\$ 9,895,578	\$ -	\$ 9,895,578	\$ 7,278,911	\$ 1,592,277	\$ 8,871,188
Used in SSAP No. 10R, Paragraph 10.d.:						
(m) Total Adjusted Capital			\$ 125,704,192			\$ 126,295,656
(n) Authorized Control Level			\$ 9,761,587			\$ 9,948,600

5. Not applicable.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

A. (continued)

6. The amount of admitted deferred tax assets, admitted assets, statutory surplus and total adjusted capital in the risk-based capital calculation and the increased amount of deferred tax assets, admitted assets and surplus as the result of the application of paragraph 10e.:

	December 31, 2011			December 31, 2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP No.10R, Paragraphs 10.a., 10.b., and 10.c.:						
(a) Admitted DTAs	\$ 9,263,092	\$ -	\$ 9,263,092	\$ 7,278,911	\$ 1,592,277	\$ 8,871,188
(b) Admitted Assets			213,957,590			211,362,511
(c) Adjusted Statutory Surplus **			125,704,192			126,296,666
(d) Total Adjusted Capital from DTAs			682,580			-
Increases due to SSAP No.10R, Paragraph 10.e.:						
(e) Admitted DTAs	\$ 632,486	\$ -	\$ 632,486	\$ -	\$ -	\$ -
(f) Admitted Assets			213,957,590			211,362,561
(g) Statutory Surplus			125,704,192			126,296,666
				Change Ordinary	Change Capital	Change Total
SSAP No.10R, Paragraphs 10.a., 10.b., and 10.c.:						
(h) Admitted DTAs				\$ 1,984,181	\$ (1,592,277)	\$ 391,904
(i) Admitted Assets						2,595,039
(j) Adjusted Statutory Surplus **						(591,464)
(k) Total Adjusted Capital from DTAs						682,580
Increases due to SSAP No.10R, Paragraph 10.e.:						
(l) Admitted DTAs				\$ 632,486	\$ -	\$ 632,486
(m) Admitted Assets						2,595,039
(n) Statutory Surplus						(591,464)
** As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No.10R, Paragraph 10.b.ii.						

- B. The Company has no temporary differences for which a deferred tax liability has not been established.

- C. Current income taxes incurred consist of the following major components:

	12/31/2011	12/31/2010	Change
1. Current Income Tax Expense (Benefit)			
(a) Federal	\$ (791,670)	\$ (457,141)	\$ (334,529)
(b) Foreign	-	-	-
(c) Subtotal	(791,670)	(457,141)	(334,529)
(d) Federal income tax on net capital gains	748,069	521,742	226,327
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other (incl. prior year over/under accrual)	43,601	(64,601)	108,202
(g) Federal and foreign income taxes incurred	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

C. (continued)

	12/31/2011	12/31/2010	Change
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses and LAE	587,193	565,085	22,108
(2) Unearned premium reserve	2,843,714	2,623,044	220,670
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	2,406,561	2,797,605	(391,044)
(9) Pension accrual	-	-	-
(10) Receivables – nonadmitted	-	-	-
(11) Net operating loss carry-forward	1,135,008	-	1,135,008
(12) Tax credit carry-forward	-	-	-
(13) Other (separately disclose items > 5%):			
Salvage and subrogation anticipated	951,075	850,935	100,140
Other	645,006	442,242	202,764
Subtotal	8,568,557	7,278,911	1,289,646
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets	<u>\$ 8,568,557</u>	<u>\$ 7,278,911</u>	<u>\$ 1,289,646</u>
(e) Capital:			
(1) Investments	1,327,021	1,592,277	(265,256)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
Subtotal	1,327,021	1,592,277	(265,256)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets	-	1,592,277	(265,256)
(i) Admitted deferred tax assets	<u>\$ 9,895,578</u>	<u>\$ 8,871,188</u>	<u>\$ 1,024,390</u>
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	-	-	-
Subtotal	-	-	-
(b) Capital:			
(1) Investments	(7,947,703)	(8,755,152)	807,499
(2) Real estate	-	-	-
(3) Other	(632,809)	(662,389)	29,580
Subtotal	(8,580,512)	(9,417,541)	837,029
(c) Deferred tax liabilities	<u>\$ (8,580,512)</u>	<u>\$ (9,417,541)</u>	<u>\$ 837,029</u>
4. Net deferred tax assets (liabilities)	<u>\$ 1,315,066</u>	<u>\$ (546,353)</u>	<u>\$ 1,861,419</u>

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes, continued

D. Reconciliation of federal income tax rate to actual effective rate:

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

	12/31/2011	Effective Tax Rate	12/31/2010	Effective Tax Rate
Provision computed at statutory rate	\$ (8,300)	34%	\$ 467,779	34%
Tax exempt income deduction	(808,244)		(1,062,438)	
Dividends received deduction	(1,035,514)		(841,391)	
Tax differentials on foreign earnings	-		-	
Nondeductible goodwill	-		-	
Other	3,080,989		1,124,914	
Total	<u>\$ 1,228,931</u>		<u>\$ (2,410,821)</u>	
Federal and foreign income taxes incurred	\$ -		\$ -	
Change in net deferred income taxes	1,228,931		(2,410,821)	
Total statutory income taxes	<u>\$ 1,228,931</u>		<u>\$ (2,410,821)</u>	

E. Carry-forwards, recoverable taxes, and IRC §6603 deposits:

At December 31, 2011, the Company had net operating loss carry-forwards which expire as follows: 2020 through 2021, \$3,338,258.

At December 31, 2011, the Company had no net capital loss carry-forwards.

At December 31, 2011, the Company had AMT credit carry-forwards in the amount of \$331,494 which do not have an expiration date.

F. The Company files an individual federal income tax return.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Not applicable.

B. Not applicable.

C. Not applicable.

D. At December 31, 2011, there were no intercompany balances due to and/or due from its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.

E. Not applicable.

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

G. The Company owns fifty percent of Forward Agencies, Inc., an insurance agency. The stock is carried at \$225,964 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 25, management elected to nonadmit this subsidiary.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties, continued

- L. The Company owns fifty-five percent of Western Reserve Financial Corp., an inactive holding company. The stock is carried at \$37,201 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 97, management elected to nonadmit this subsidiary.

11. Debt

Not applicable.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan / Other than Postretirement Benefit Plans

The Company has a non-qualified Voluntary Deferred Compensation plan for senior executive officers. The plan allows for deferral of annual base salaries, payouts under the annual incentive plan, and payouts under the Performance Share Plan for Key Executives. As of December 31, 2011 and 2010, amounts held for these deferrals were \$12.9 million and \$11.0 million, respectively.

B. Defined Contribution Plan

The Company's employees are eligible to participate in a 401(k) plan sponsored by the Company after completion of three months of continuous service.

The Company matches a portion of employee contributions and may make additional discretionary contributions. The Company's contribution for the plan was \$714 thousand and \$796 thousand for 2011 and 2010, respectively. At December 31, 2011, the fair value of the plan assets was \$22.4 million.

C. Multiemployer Plans

Not applicable.

D. Consolidated/Holding Company Plans

Not applicable.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

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

Not applicable.

14. Contingencies

Not applicable.

15. Leases

The Company lease agreements are limited to office and electronic data processing equipment. Rent expense for the years ending December 31, 2011 and 2010 was not considered material to the Company's financial statements.

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

Not applicable.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

NOTES TO FINANCIAL STATEMENTS

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities, continued
- B. Transfer and Servicing of Financial Assets
Not applicable.
 - C. Wash Sales
Not applicable.
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans
- A. Administrative Services Only ("ASO") Plans
Not applicable.
 - B. Administrative Services Contract ("ASC") Plans
Not applicable.
 - C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract
Not applicable.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
- Not applicable.
20. Fair Value Measurements
- A. The company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820 (SFAS No. 157), *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1:

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

Level 2:

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

Level 3:

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

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements, continued

A. (continued)

(1) Fair Value Measurements at Reporting Date:

Description	Period ended 12/31/2011	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Other unobservable inputs (Level 3)
a. Assets at fair value:				
Perpetual Preferred stock:				
Industrial and Misc	\$ 1,832,281	\$ 1,832,281	\$ -	\$ -
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Perpetual Preferred Stock	1,832,281	1,832,281	-	-
Bonds:				
U.S. Governments	72,514,976	72,514,976	-	-
Foreign Governments	1,450,400	1,450,400	-	-
Industrial and Misc	38,805,162	38,805,162	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Bonds	112,770,538	112,770,538	-	-
Common stock:				
Industrial and Misc	33,814,496	33,814,496	-	-
Mutual Funds	24,673,654	24,673,654	-	-
Money Market Funds	15,133	15,133	-	-
Parent, Subsidiaries, and Affiliates	263,165	263,165	-	-
Total Common Stocks	58,766,448	58,766,448	-	-
Other invested assets:				
Real estate	-	-	-	-
Other	5,056,795	-	-	5,056,795
Total Other Invested Assets	5,056,795	-	-	5,056,795
Total Assets at Fair Value:	\$ 178,426,062	\$ 173,369,267	\$ -	\$ 5,056,795
b. Liabilities at fair value:				
Not applicable.				

Description	Period ended 12/31/2010	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Other unobservable inputs (Level 3)
a. Assets at fair value:				
Perpetual Preferred stock:				
Industrial and Misc	\$ 1,835,958	\$ 1,835,958	\$ -	\$ -
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Perpetual Preferred Stock	1,835,958	1,835,958	-	-
Bonds:				
U.S. Governments	63,815,573	63,815,573	-	-
Foreign Governments	1,344,714	1,344,714	-	-
Industrial and Misc	37,336,619	37,336,619	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Bonds	102,496,906	102,496,906	-	-
Common stock:				
Industrial and Misc	35,797,358	35,797,358	-	-
Mutual Funds	24,554,144	24,554,144	-	-
Money Market Funds	59,915	59,915	-	-
Parent, Subsidiaries, and Affiliates	268,119	268,119	-	-
Total Common Stocks	60,679,536	60,679,536	-	-
Other invested assets:				
Real estate	-	-	-	-
Other	5,260,556	-	-	5,260,556
Total Other Invested Assets	5,260,556	-	-	5,260,556
Total Assets at Fair Value:	\$ 170,272,955	\$ 165,012,400	\$ -	\$ 5,260,556
b. Liabilities at fair value:				
Not applicable.				

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements, continued

A. (continued)

(2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy:

	Balance 01/01/2011	Transfers In(out) Level 3	Total Gain(Loss) Included in Net Income	Total Gain(Loss) Included in Surplus	Purchases, Issuances, Sales, & Settlements	Balance 12/31/2011
Other Invested Assets	\$ 5,260,556	\$ -	\$ -	\$ (223,761)	\$ -	\$ 5,056,795
Total	\$ 5,260,556	\$ -	\$ -	\$ (223,761)	\$ -	\$ 5,056,795

(3) The Company's policy is to recognize transfers in and out as of the end of the reporting period.

(4) As of December 31, 2011, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy are as follows:

Other Invested assets – The Company's investment in two subsidiaries are measured and reported at fair value as of December 31, 2011 for each respective entity totaling \$5.1 million in aggregate. Fair value measurement is determined by the individual entity's surplus at the end of a period, or the amount by which assets exceed liabilities. Some inputs to the valuation methodology are unobservable and significant to the fair value measurement, and result in disclosure at Level 3.

21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring

Not applicable.

C. Other Disclosures

Not applicable.

D. At December 31, 2011 and 2010 the Company had admitted assets of \$15.9 million and \$14.3 million, respectively in uncollected premiums. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectable and the potential loss is not material to the Company's financial condition.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable Tax Credits

Not applicable.

G. Subprime Mortgage Related Risk Exposure

Not applicable.

22. Events Subsequent

Subsequent events have been considered through February 28, 2012 for the statutory statement issued on March 1, 2012 for the year ending December 31, 2011. There were no events identified that would have a material effect on the financial condition of the company.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

Not applicable.

B. Reinsurance Recoverable in Dispute

Not applicable.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance, continued

C. Reinsurance Assumed and Ceded

If the Company cancelled its umbrella reinsurance program, return ceded commissions at December 31, 2011 would total \$161,021.

D. Uncollectible Reinsurance

The Company recognized a \$667 thousand provision for unauthorized reinsurance at December 31, 2008 due to the Lehman Re bankruptcy for catastrophe losses recoverable net of reinstatement premiums. No changes were made to the provision during 2011.

E. Commutation of Ceded Reinsurance

Not applicable.

F. Retroactive Reinsurance

Not applicable.

G. Reinsurance Accounted for as a Deposit

Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2010 were \$30.0 million. As of December 31, 2011, \$14.6 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$12.8 million as a result of decreases in estimates of unpaid claims and claim adjustment expenses for commercial auto liability, auto physical damage, homeowners/farmowners, commercial multi-peril, other liability, workers compensation and special property lines of insurance. These decreases were offset, in part, by increases in private passenger auto liability lines of insurance. Therefore, there has been a \$2.6 million favorable prior-year development from December 31, 2010 to December 31, 2011. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the company does not write this type of policy.

26. Intercompany Pooling Agreements

	NAIC No.	Pool Share
Lightning Rod Mutual Insurance Company (Lead Company)	26123	55.0%
Western Reserve Mutual Casualty Insurance Company	26131	40.0%
Sonnenberg Mutual Insurance Company	10271	5.0%

All transactions and balances in the underwriting accounts of the companies are pooled except premiums in the course of collection.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

NOTES TO FINANCIAL STATEMENTS

30. Premium Deficiency Reserves

- (1) Liability carried for premium deficiency reserves\$ -
- (2) Date of most recent evaluation of this liability12/31/2011
- (3) Was anticipated investment income utilized in the calculation?Yes () No (x)

31. High Deductibles

Not applicable.

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

The Company does not discount liabilities for unpaid losses nor unpaid loss adjustment expenses in calculating statutory surplus.

33. Asbestos/Environmental Reserves

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

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

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

	2007	2008	2009	2010	2011
(1) Direct basis:					
a. Beginning reserves	\$ -	\$ -	\$ -	\$ 14	\$ 14
b. Incurred losses and LAE	2	10	29	63	27
c. Calendar year payments for losses and LAE	<u>2</u>	<u>10</u>	<u>15</u>	<u>63</u>	<u>27</u>
d. Ending reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 14</u>
(2) Assumed reinsurance:					
a. Beginning reserves	\$ -	\$ -	\$ -	\$ -	\$ -
b. Incurred losses and LAE	-	-	-	-	-
c. Calendar year payments for losses and LAE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
d. Ending reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(3) Net of ceded reinsurance:					
a. Beginning reserves	\$ -	\$ -	\$ -	\$ 14	\$ 14
b. Incurred losses and LAE	2	10	29	63	27
c. Calendar year payments for losses and LAE	<u>2</u>	<u>10</u>	<u>15</u>	<u>63</u>	<u>27</u>
d. Ending reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 14</u>

NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves, continued

E. State the amount of ending reserves for Bulk + IBNR included in D (Loss and LAE):	
(1) Direct basis	\$ -
(2) Assumed reinsurance basis	\$ -
(3) Net of ceded reinsurance basis	\$ -
F. State the amount of ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):	
(1) Direct basis	\$ -
(2) Assumed reinsurance basis	\$ -
(3) Net of ceded reinsurance basis	\$ -

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ NA ☐
- 1.3

State Regulating?

Ohio
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2006
- 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.

12/31/2006
- 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).

07/16/2007
- 3.4

By what department or departments?

Ohio
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 3.6

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

Yes ☒ No ☐ NA ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes ☐ No ☒
- 4.12

renewals?

Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes ☐ No ☒
- 4.22

renewals?

Yes ☐ No ☒
- 5.1

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

Yes ☐ No ☒
- 5.2

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

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

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

KPMG 191 West Nationwide Blvd. Columbus, Ohio 43215-2568
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] NA []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

William D. Hansen, FCAS, MAAA, Oliver Wyman, 325 John H. McConnell Blvd. Suite 350 Columbus, Ohio 43215
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If yes, provide explanation
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 [] NA []
- 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 [] No []
- 14.1.1

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 14.1.2

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- 14.1.3

Compliance with applicable governmental laws, rules and regulations;
- 14.1.4

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- 14.1.5

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).

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

- 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?.....
- 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.
- Yes [] No [X]

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

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- 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 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?
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....0
- 21.22 Borrowed from others \$.....0
- 21.23 Leased from others \$.....0
- 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....0
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$.....0
- Yes [] No [X]
- Yes [] No [X]
- Yes [] No [X]
- Yes [] No [X]
- Yes [] No [X]
- Yes [] No [X]

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).....
- 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?.....
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs.
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?.....
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?.....
- 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 [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]
- Yes [] No [] NA [X]

GENERAL INTERROGATORIES

- 25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3)

Yes ☒ No ☐
- 25.2

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

25.21

Subject to repurchase agreements

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Pledged as collateral

\$

25.26

Placed under option agreements

\$

25.27

Letter stock or securities restricted as to sale

\$

25.28

On deposit with state or other regulatory body

\$

1,671,765

25.29

Other

\$
- 25.3 For category (25.27) provide the following:
- | 1
Nature of Restriction | 2
Description | 3
Amount |
|----------------------------|--|-------------|
| Required state deposit | Deposit with Indiana Insurance Department | 100,149 |
| Required state deposit | Deposit with Illinois Insurance Department | 1,571,616 |
| | | |
- 26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes ☐ No ☐ NA ☐

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 ☒

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 ☒ 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 |
|---------------------------|--------------------------|
| Merrill Lynch | Columbus, Ohio |
| First Merit | Akron, Ohio |
- 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 ☒

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 |
|--|-----------|--------------|
| | | |
| | | |
- 15.3

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2001. 018642-74-4.....	AllianceBernstein High Inc Muni Fund.....	560,795
29.2002. 03875R-20-5.....	Arbitrage Funds CL 1.....	270,100
29.2003. 04315J-86-0.....	Artio Global High Income Fund.....	275,296
29.2004. 00080Y-72-8.....	Aston/Lake Partners Lasso Alt.....	625,687
29.2005. 25264S-83-3.....	Diamond Hill Long Short Fd CL 1.....	684,230
29.2006. 258620-10-3.....	Doubline Total Ret Bond Fund CL 1.....	544,325
29.2007. 277911-49-1.....	Eaton Vance Floating Rate Fnd CL1.....	392,184
29.2008. 27829L-10-5.....	Eaton Vance Nat'l Muni Opprs Tr.....	80,883
29.2009. 464287-46-5.....	iShares MSCI EAFE Index ETF.....	747,903
29.2010. 45070A-40-4.....	IVA International Fund CL 1.....	1,748,255
29.2011. 52106N-88-9.....	Lazard Emerging Mkts Eqty PTFL.....	440,150
29.2012. 543495-78-2.....	Loomis Sayles Gbl Bond Fund.....	1,392,859
29.2013. 577125-10-7.....	Matthews Asia Dividend Fund.....	788,341
29.2014. 577130-20-6.....	Matthews Asian Growth and Income Fund.....	422,837
29.2015. 67062N-10-3.....	Nuveen Insured Quality Muni Fd Inc.....	87,000
29.2016. 67062E-10-3.....	Nuveen Investment Quality Muni Fd.....	81,484
29.2017. 72201M-73-5.....	PIMCO High Yield Fd CL P.....	1,096,898
29.2018. 72201M-55-2.....	PIMCO Total Return Fd CL P.....	518,239
29.2019. 72201M-45-3.....	PIMCO Unconstrained Bond Fund CL P.....	810,122
29.2020. 746476-40-7.....	Putnam Cnvtbl Inc Grwth Tr Y.....	1,138,219
29.2021. 780905-60-0.....	Royce Premier Fund.....	1,087,906
29.2022. 880208-40-0.....	Templeton Global Bond Fnd ADV CL.....	811,925
29.2023. 885215-56-6.....	Thornburg International Fund CL 1.....	1,404,859
29.2024. 464286-50-9.....	iShares MSCI Canada Index.....	389,956
29.2025. 921937-82-7.....	Vanguard S/T Bond ETF.....	726,518
29.2026. 922023-10-6.....	Vanguard Convertible Sec Fund.....	337,931
29.2999 TOTAL		17,464,902

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
AllianceBernstein High Inc Muni Fn.....	Washington St GO.....	46,714	12/31/2011.....
Arbitrage Funds CL 1.....	Pharmasset, Inc.....	76,600	12/31/2011.....
Artio Global High Income Fund.....	Level 3 Fing 10% Univision.....	19,959	12/31/2011.....
Aston/Lake Partners Lasso Alt.....	Robeco Long/Short Eq1.....	389,302	12/31/2011.....
Diamond Hill Long Short Fd CL 1.....	Occidental Petroleum Corp.....	102,977	12/31/2011.....
Doubline Total Rtn Bond Fund CL 1.....	FNMA .5.5%.....	55,957	12/31/2011.....
Eaton Vance Floating Rate Fnd CL 1.....	EV Cash Reserves Fund.....	36,669	12/31/2011.....
Eaton Vance Nat'l Muni Opprs Tr.....	Indiana St Fin Auth 6%.....	10,596	12/31/2011.....
iShares MSCI EAFE Index ETF.....	Nestle SA.....	56,317	12/31/2011.....
IVA International Fund CL 1.....	Singapore (Govt Of) 2.25%.....	314,162	12/31/2011.....
Lazard Emerging Mkts Eqty PTFL CL.....	Cielo SA.....	73,065	12/31/2011.....
Loomis Sayles Gbl Bond Fnd.....	Japan (Govt Of) 1.3%.....	258,793	12/31/2011.....
Matthews Asia Dividend Fund.....	Metcash Limited.....	134,570	12/31/2011.....
Matthews Asian Growth and Inc Fnd.....	Hisamitus Pharmaceutical Co. Inc.....	74,039	12/31/2011.....
Nuveen Insured Quality Muni Fd Inc.....	Houston Tex Wtr & Swr Sys.....	10,405	12/31/2011.....
Nuveen Investment Quality Muni Fd.....	Perris Calif Single Famil Mtg 8.2%.....	8,719	12/31/2011.....
PIMCO High Yield Fd CL P.....	Pimco Fds private account.....	125,924	12/31/2011.....
PIMCO Total Return Fd CL P.....	Pimco Fds private account.....	217,297	12/31/2011.....
PIMCO Unconstrained Bond Bund CL P.....	FNMA.....	335,471	12/31/2011.....
Putnam Cnvtbl Inc Grwth Tr Y.....	Putnam Money market Liquidity P.....	113,139	12/31/2011.....
Royce Premier Fund.....	Nu.Skin Enterprises, Inc. A.....	142,842	12/31/2011.....
Templeton Global Bond Fnd ADV CL.....	Korea (Republic of) 3.0%.....	83,466	12/31/2011.....
Thornburg International Fund CL 1.....	British American Tobacco PLC.....	177,996	12/31/2011.....
iShares MSCI Canada Index.....	Royal Bank of Canada.....	96,748	12/31/2011.....
Vanguard S/t Bond ETF.....	US treasury Note .375%.....	64,878	12/31/2011.....
Vanguard Convertible Sec Fund.....	Orix Corp Cvt.....	132,199	12/31/2011.....

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
30.1 Bonds.....	106,889,448	115,864,761	8,975,313
30.2 Preferred Stocks.....	1,832,281	1,832,281	0
30.3 Totals	108,721,729	117,697,042	8,975,313

- 30.4 Describe the sources or methods utilized in determining the fair values:
Determined by a pricing source, FT Interactive Data.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [] No [X]
- 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:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any?.....\$0
- 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
.....
.....

- 34.1 Amount of payments for legal expenses, if any?.....\$0
- 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
.....
.....

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & 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. \$0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$0
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. \$0
1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0
1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$0
1.62 Total incurred claims \$0
1.63 Number of covered lives0

All years prior to most current three years:

1.64 Total premium earned \$0
1.65 Total incurred claims \$0
1.66 Number of covered lives0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$0
1.72 Total incurred claims \$0
1.73 Number of covered lives0

All years prior to most current three years:

1.74 Total premium earned \$0
1.75 Total incurred claims \$0
1.76 Number of covered lives0

2. Health Test:

			1		2
			Current Year		Prior Year
2.1	Premium Numerator	\$	.....0	\$	.....0
2.2	Premium Denominator	\$	.....86,734,599	\$	.....82,756,388
2.3	Premium Ratio (2.1/2.2)		.....0.000		.....0.000
2.4	Reserve Numerator	\$	.....0	\$	.....0
2.5	Reserve Denominator	\$	.....75,172,073	\$	.....68,543,382
2.6	Reserve Ratio (2.4/2.5)		.....0.000		.....0.000

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]
3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating policies..... \$0
3.22 Non-participating policies..... \$0

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies?..... Yes [] No [X]
4.2 Does the reporting entity issue non-assessable policies?..... Yes [] No [X]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?.....0.0 %
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums..... \$0

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents?..... Yes [] No []
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] NA []
5.22 As a direct expense of the exchange..... Yes [] No [] NA []

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

.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- | | | | |
|-----|---|-----|----------------------|
| 6.1 | What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
In addition to the excess of loss liability treaty that provides coverage up to \$5 million, the Company purchases an additional \$5 million workers compensation excess of loss contract. The Company also avoids insuring risks with a large number of employees and high-risk classes. | | |
| 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 utilizes catastrophe modeling analysis provided by its reinsurance broker to measure probable maximum loss impact on surplus for a 100-year severe thunderstorm event (\$9.6 million) and a 250-year earthquake event (\$2.6 million). | | |
| 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?
In 2011, the Company purchased catastrophe excess of loss reinsurance of \$45 million excess \$5 million with 5% participation. This limit purchased is approximately a 200-year severe thunderstorm event. | | |
| 6.4 | Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? | Yes | [X] No [] |
| 6.5 | If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss. | | |
| 7.1 | Has 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 [] |
| 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 the risk, or portion thereof, reinsured? | Yes | [] No [X] |
| 8.2 | If yes, give full information | | |
| 9.1 | Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. | Yes | [] No [X] |
| 9.2 | Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member, where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. | Yes | [] No [X] |
| 9.3 | If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved. | | |
| 9.4 | Except for transactions meeting the requirements of paragraph 31 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 reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? | Yes | [] No [] N/A [X] |

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes [] No [X]

11.2

If yes, give full information

12.1

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

12.11

Unpaid losses

\$ 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 [X] NA []

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 the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

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

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$ 750,000

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.

9

14.1

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

Yes [] No [X]

14.2

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

14.3

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

Yes [] No []

14.4

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

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$.....0
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$.....0
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....0
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....0
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....0
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....0

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	\$.....0
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....0
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....0
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....0
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....0
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....0

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

18.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$.....0

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..... \$.....0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	49,400,034	46,643,191	44,209,006	43,880,267	44,543,870
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	42,569,661	42,054,369	39,775,070	37,970,151	37,213,322
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	76,783,464	70,203,042	64,519,479	62,068,368	61,309,619
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	168,753,159	158,900,602	148,503,555	143,918,786	143,066,811
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)	26,907,098	25,327,537	24,023,478	23,885,108	24,236,132
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	23,184,495	22,998,557	21,762,551	20,649,664	20,352,619
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	39,888,155	37,379,891	33,897,878	32,585,502	32,832,452
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	89,979,748	85,705,985	79,683,907	77,120,274	77,421,203
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(8,443,563)	(6,039,778)	(5,932,026)	(5,215,479)	(3,151,918)
14. Net investment gain (loss) (Line 11)	6,259,982	5,750,815	5,500,135	(399,373)	6,561,926
15. Total other income (Line 15)	1,411,101	1,143,042	1,175,950	1,130,806	1,112,916
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(791,670)	(457,141)	(1,577,090)	196,922	428,428
18. Net income (Line 20)	19,190	1,311,220	2,321,149	(4,680,968)	4,094,496
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	213,957,590	211,362,551	204,073,046	195,801,465	214,999,687
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	15,876,790	14,317,498	13,514,390	12,606,487	12,420,858
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	88,253,398	85,066,895	81,469,321	79,030,641	83,726,157
22. Losses (Page 3, Line 1)	27,902,250	24,518,708	24,972,029	23,968,134	23,539,430
23. Loss adjustment expenses (Page 3, Line 3)	5,450,500	5,450,500	5,450,500	5,450,500	5,266,800
24. Unearned premiums (Page 3, Line 9)	41,819,323	38,574,174	35,624,577	33,744,740	33,656,573
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	125,704,192	126,295,656	122,603,725	116,770,824	131,273,530
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	1,511,138	2,575,682	3,611,597	88,278	5,347,445
Risk-Based Capital Analysis					
28. Total adjusted capital	125,704,192	126,295,656	122,603,725	116,770,824	131,273,530
29. Authorized control level risk-based capital	9,769,946	9,948,606	9,291,038	8,189,724	9,863,658
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)	53.3	53.3	55.3	53.3	47.7
31. Stocks (Lines 2.1 & 2.2)	31.0	32.0	29.0	27.6	36.7
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	3.1	3.2	3.4	3.8	3.3
34. Cash, cash equivalents and short-term investments (Line 5)	10.0	8.7	9.6	12.9	12.3
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	XXX	XXX	XXX
37. Other invested assets (Line 8)	2.6	2.7	2.6	2.4	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
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)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	263,165	268,119	255,793	246,022	282,843
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	263,165	268,119	255,793	246,022	282,843
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)	0.2	0.2	0.2	0.2	0.2

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

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)	(1,567,400)	2,410,821	3,889,928	(11,133,263)	1,575,474
51. Dividends to stockholders (Line 35)	0	0	0	0	0
52. Change in surplus as regards policyholders for the year (Line 38)	(591,464)	3,691,931	5,832,901	(14,502,706)	5,846,796
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)	27,624,482	27,008,890	27,226,041	25,002,640	26,708,436
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	25,810,248	23,400,302	21,473,946	22,180,712	22,375,893
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	55,973,446	42,421,756	41,684,124	46,214,893	34,017,392
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	16
58. Total (Line 35)	109,408,176	92,830,948	90,384,111	93,398,245	83,101,737
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)	15,193,466	14,848,859	14,296,997	13,520,104	14,548,101
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	13,787,944	12,870,167	11,738,277	12,088,352	12,145,070
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	24,248,590	22,931,324	19,962,666	21,649,283	17,277,969
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	19
64. Total (Line 35)	53,230,000	50,650,350	45,997,940	47,257,739	43,971,159
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)	65.3	60.7	60.4	61.9	58.7
67. Loss expenses incurred (Line 3)	9.3	9.8	10.4	11.4	10.4
68. Other underwriting expenses incurred (Line 4)	35.1	36.8	36.8	33.5	35.0
69. Net underwriting gain (loss) (Line 8)	(9.7)	(7.3)	(7.6)	(6.8)	(4.1)
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	32.3	34.2	34.5	32.0	33.5
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	74.6	70.5	70.8	73.3	69.1
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)	71.6	67.9	65.0	66.0	59.0
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)	(2,552)	(3,150)	(2,327)	(2,265)	(1,237)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0)	(2.0)	(2.6)	(2.0)	(1.7)	(1.0)
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)	(4,038)	(5,124)	(4,600)	(3,288)	(5,958)
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)	(3.3)	(4.4)	(3.5)	(2.6)	(5.2)

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
	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)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	618	627	0	0	38	0	17	29	XXX
2. 2002	77,607	5,241	72,366	52,177	3,318	1,250	257	4,544	71	2,385	54,325	XXX
3. 2003	82,851	5,713	77,138	46,982	2,564	999	162	4,534	17	2,222	49,772	XXX
4. 2004	84,792	5,526	79,266	47,028	3,708	1,006	87	5,100	18	2,663	49,321	XXX
5. 2005	84,145	5,292	78,853	38,917	2,622	908	185	4,909	18	1,939	41,909	XXX
6. 2006	82,466	5,346	77,120	49,165	6,594	1,116	38	6,339	33	2,116	49,955	XXX
7. 2007	81,264	3,965	77,299	46,526	3,209	1,130	133	6,586	30	2,357	50,870	XXX
8. 2008	81,186	4,153	77,033	55,241	8,299	1,231	0	7,691	0	2,110	55,864	XXX
9. 2009	82,075	4,269	77,806	47,953	1,997	672	0	5,700	0	1,958	52,328	XXX
10. 2010	86,814	4,058	82,756	46,069	119	294	0	6,188	4	2,046	52,428	XXX
11. 2011	92,819	6,085	86,735	51,842	10,976	78	0	5,812	0	1,395	46,756	XXX
12. Totals	XXX	XXX	XXX	482,518	44,033	8,684	862	57,441	191	21,208	503,557	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
1.	265	171	0	0	0	0	0	0	0	0	0	94	xxx
2.	1	0	0	0	1	0	0	0	1	0	0	3	xxx
3.	9	0	0	0	2	1	1	0	1	0	0	12	xxx
4.	1,111	976	0	0	3	1	2	0	2	0	0	141	xxx
5.	35	0	0	0	12	11	4	1	5	0	0	44	xxx
6.	300	0	0	0	39	7	14	0	17	0	0	363	xxx
7.	758	56	0	0	71	12	25	0	31	0	0	817	xxx
8.	879	(1)	15	7	91	25	32	2	46	0	0	1,030	xxx
9.	2,491	0	206	57	285	25	99	2	129	0	0	3,126	xxx
10.	5,884	0	450	135	623	147	228	11	275	0	0	7,167	xxx
11.	14,836	1,775	5,358	1,523	2,329	371	589	29	1,146	0	0	20,560	xxx
12. Totals	26,569	2,977	6,029	1,722	3,456	600	994	45	1,653	0	0	33,357	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	94	0
2.	57,974	3,646	54,328	74.7	69.6	75.1	0	0	55.0	1	2
3.	52,528	2,744	49,784	63.4	48.0	64.5	0	0	55.0	9	3
4.	54,252	4,790	49,462	64.0	86.7	62.4	0	0	55.0	135	6
5.	44,790	2,837	41,953	53.2	53.6	53.2	0	0	55.0	35	9
6.	56,990	6,672	50,318	69.1	124.8	65.2	0	0	55.0	300	63
7.	55,127	3,440	51,687	67.8	86.8	66.9	0	0	55.0	702	115
8.	65,226	8,332	56,894	80.3	200.6	73.9	0	0	55.0	888	142
9.	57,535	2,081	55,454	70.1	48.7	71.3	0	0	55.0	2,640	486
10.	60,011	416	59,595	69.1	10.3	72.0	0	0	55.0	6,199	968
11.	81,990	14,674	67,316	88.3	241.2	77.6	0	0	55.0	16,896	3,664
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	27,899	5,458

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	One Year	Two Year
1. Prior	15,679	12,867	11,406	10,275	9,936	9,682	9,551	9,477	9,374	9,303	(71)	(174)
2. 2002	56,042	53,028	51,428	50,320	50,146	50,049	49,962	49,878	49,866	49,854	(12)	(24)
3. 2003	XXX	53,654	47,892	46,079	45,745	45,646	45,495	45,330	45,279	45,266	(13)	(64)
4. 2004	XXX	XXX	50,893	47,045	45,557	44,933	44,531	44,378	44,413	44,378	(35)	0
5. 2005	XXX	XXX	XXX	40,381	38,258	37,832	37,371	37,340	37,083	37,057	(26)	(283)
6. 2006	XXX	XXX	XXX	XXX	45,107	45,370	44,551	44,237	44,069	43,995	(74)	(242)
7. 2007	XXX	XXX	XXX	XXX	XXX	47,593	47,379	45,865	45,102	45,100	(2)	(765)
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	50,928	50,936	49,458	49,157	(301)	(1,779)
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,332	49,979	49,625	(354)	(707)
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	54,800	53,136	(1,664)	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	60,358	XXX	XXX
12. Totals											(2,552)	(4,038)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior	000	5,425	7,724	8,519	8,907	9,106	9,138	9,183	9,218	9,209	XXX	XXX
2. 2002	35,155	44,419	47,737	49,191	49,565	49,660	49,826	49,844	49,860	49,852	XXX	XXX
3. 2003	XXX	33,013	40,330	42,983	44,406	45,157	45,236	45,286	45,270	45,255	XXX	XXX
4. 2004	XXX	XXX	31,364	40,558	42,735	43,575	43,922	44,209	44,246	44,239	XXX	XXX
5. 2005	XXX	XXX	XXX	25,845	33,223	35,566	36,368	36,884	37,029	37,018	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	30,167	39,323	41,468	42,910	43,408	43,649	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	31,474	40,156	42,152	43,749	44,314	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	35,877	44,534	46,951	48,173	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	33,992	43,947	46,628	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,422	46,244	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,944	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	3,818	1,624	872	220	122	61	29	4	0	0
2. 2002	7,349	788	413	179	151	52	16	2	0	0
3. 2003	XXX	6,732	897	291	91	107	58	4	0	1
4. 2004	XXX	XXX	6,103	1,046	516	102	91	13	0	2
5. 2005	XXX	XXX	XXX	4,872	512	332	40	28	0	3
6. 2006	XXX	XXX	XXX	XXX	4,201	425	167	97	28	14
7. 2007	XXX	XXX	XXX	XXX	XXX	4,501	285	250	47	25
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	3,941	572	202	38
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,125	287	246
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,629	532
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,395

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories										
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9	
		2	3							
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)	
1. Alabama	AL N	.0	.0	.0	.0	.0	.0	.0		
2. Alaska	AK N	.0	.0	.0	.0	.0	.0	.0		
3. Arizona	AZ N	.0	.0	.0	.0	.0	.0	.0		
4. Arkansas	AR N	.0	.0	.0	.0	.0	.0	.0		
5. California	CA N	.0	.0	.0	.0	.0	.0	.0		
6. Colorado	CO N	.0	.0	.0	.0	.0	.0	.0		
7. Connecticut	CT N	.0	.0	.0	.0	.0	.0	.0		
8. Delaware	DE N	.0	.0	.0	.0	.0	.0	.0		
9. Dist. of Columbia	DC N	.0	.0	.0	.0	.0	.0	.0		
10. Florida	FL N	.0	.0	.0	.0	.0	.0	.0		
11. Georgia	GA N	.0	.0	.0	.0	.0	.0	.0		
12. Hawaii	HI N	.0	.0	.0	.0	.0	.0	.0		
13. Idaho	ID N	.0	.0	.0	.0	.0	.0	.0		
14. Illinois	IL L	.0	.0	.0	.0	.0	.0	.0		
15. Indiana	IN L	22,712,914	21,712,716	.0	15,566,038	16,888,368	4,815,640	239,139		
16. Iowa	IA N	.0	.0	.0	.0	.0	.0	.0		
17. Kansas	KS N	.0	.0	.0	.0	.0	.0	.0		
18. Kentucky	KY N	.0	.0	.0	.0	.0	.0	.0		
19. Louisiana	LA N	.0	.0	.0	.0	.0	.0	.0		
20. Maine	ME N	.0	.0	.0	.0	.0	.0	.0		
21. Maryland	MD N	.0	.0	.0	.0	.0	.0	.0		
22. Massachusetts	MA N	.0	.0	.0	.0	.0	.0	.0		
23. Michigan	MI N	.0	.0	.0	.0	.0	.0	.0		
24. Minnesota	MN N	.0	.0	.0	.0	.0	.0	.0		
25. Mississippi	MS N	.0	.0	.0	.0	.0	.0	.0		
26. Missouri	MO N	.0	.0	.0	.0	.0	.0	.0		
27. Montana	MT N	.0	.0	.0	.0	.0	.0	.0		
28. Nebraska	NE N	.0	.0	.0	.0	.0	.0	.0		
29. Nevada	NV N	.0	.0	.0	.0	.0	.0	.0		
30. New Hampshire	NH N	.0	.0	.0	.0	.0	.0	.0		
31. New Jersey	NJ N	.0	.0	.0	.0	.0	.0	.0		
32. New Mexico	NM N	.0	.0	.0	.0	.0	.0	.0		
33. New York	NY N	.0	.0	.0	.0	.0	.0	.0		
34. No. Carolina	NC N	.0	.0	.0	.0	.0	.0	.0		
35. No. Dakota	ND N	.0	.0	.0	.0	.0	.0	.0		
36. Ohio	OH L	56,156,863	54,421,740	.0	41,836,798	42,842,151	17,276,832	730,067		
37. Oklahoma	OK N	.0	.0	.0	.0	.0	.0	.0		
38. Oregon	OR N	.0	.0	.0	.0	.0	.0	.0		
39. Pennsylvania	PA N	.0	.0	.0	.0	.0	.0	.0		
40. Rhode Island	RI N	.0	.0	.0	.0	.0	.0	.0		
41. So. Carolina	SC N	.0	.0	.0	.0	.0	.0	.0		
42. So. Dakota	SD N	.0	.0	.0	.0	.0	.0	.0		
43. Tennessee	TN L	.0	.0	.0	.0	.0	.0	.0		
44. Texas	TX N	.0	.0	.0	.0	.0	.0	.0		
45. Utah	UT N	.0	.0	.0	.0	.0	.0	.0		
46. Vermont	VT N	.0	.0	.0	.0	.0	.0	.0		
47. Virginia	VA N	.0	.0	.0	.0	.0	.0	.0		
48. Washington	WA N	.0	.0	.0	.0	.0	.0	.0		
49. West Virginia	WV N	.0	.0	.0	.0	.0	.0	.0		
50. Wisconsin	WI N	.0	.0	.0	.0	.0	.0	.0		
51. Wyoming	WY N	.0	.0	.0	.0	.0	.0	.0		
52. American Samoa	AS N	.0	.0	.0	.0	.0	.0	.0		
53. Guam	GU N	.0	.0	.0	.0	.0	.0	.0		
54. Puerto Rico	PR N	.0	.0	.0	.0	.0	.0	.0		
55. U.S. Virgin Islands	VI N	.0	.0	.0	.0	.0	.0	.0		
56. Northern Mariana Islands	MP N	.0	.0	.0	.0	.0	.0	.0		
57. Canada	CN N	.0	.0	.0	.0	.0	.0	.0		
58. Aggregate other alien	OT XXX	.0	.0	.0	.0	.0	.0	.0		.0
59. Totals	(a) 4	78,869,777	76,134,456	.0	57,402,836	59,730,519	22,092,472	969,206		0
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Sum. of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0		.0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0		0

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

Explanation of basis of allocation of premiums by states, etc.

Actual direct written premium and earned premium by state are assigned by address of policyholder for all lines of business.

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

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

PART 1 - ORGANIZATIONAL CHART

Lightning Rod Mutual Insurance Company 34-0359380	Western Reserve Mutual Casualty Company 34-0613930	Sonnenberg Mutual Insurance Company 34-0541185
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LRMIC, WRMCC and SMIC are the three participants within the Western Reserve Group. All business written is subject to pooling whereby all underwriting and related balance sheet amounts are pooled on a 55/40/5 percent basis.

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