



QUARTERLY STATEMENT
AS OF JUNE 30, 2012
OF THE CONDITION AND AFFAIRS OF THE
SONNENBERG MUTUAL INSURANCE COMPANY

NAIC Group Code 0207, NAIC Company Code 10271, Employer's ID Number 34-0541185
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States
Incorporated/Organized 01/01/1905, Commenced Business 01/01/1859
Statutory Home Office 1685 Cleveland Road, Wooster, OH 44691
Main Administrative Office 1685 Cleveland Road, Wooster, OH 44691-0036, 330-262-9060
Mail Address 1685 Cleveland Road, Wooster, OH 44691-0036
Primary Location of Books and Records 1685 Cleveland Road, Wooster, OH 44691-0036, 330-262-9060-2437
Internet Web Site Address www.wrg-ins.com
Statutory Statement Contact Joseph Earl Wilford, 330-262-9060-2437
joe_wilford@wrg-ins.com (E-mail Address), 330-264-7822 (Fax Number)

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Officers listed include JOHN P. MURPHY (PRESIDENT), MICHAEL A. SHUTT (TREASURER), JOHN P. MURPHY (SECRETARY).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Other officers listed include GREGORY A. BRUNN (VP MARKETING AND UNDERWRITING), GARY W. GWINN # (VP CLAIMS), KEVIN W. DAY (EXECUTIVE VP), GREGORY J. OWEN (VP INFORMATION TECHNOLOGY).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Directors listed include ROBERT P. BOGNER, KEVIN W. DAY, RONALD E. HOLTMAN, JOHN P. MURPHY, C. MICHAEL REARDON, EDDIE L. STEINER, KENNETH L. VAGNINI.

State of OHIO

County of WAYNE

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.

President

Secretary

Treasurer

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

Subscribed and sworn to before me this 14 day of AUGUST, 2012

MARY LOU HART, NOTARY PUBLIC
MARCH 08, 2015

STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	12,363,410		12,363,410	12,065,280
2. Stocks:				
2.1 Preferred stocks	289,241		289,241	294,011
2.2 Common stocks	5,472,290	45,045	5,427,245	5,071,483
3. Mortgage loans on real estate:				
3.1 First liens	0		0	0
3.2 Other than first liens	0		0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	0		0	0
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 (\$(39,584)), cash equivalents (\$0) and short-term investments (\$364,653)	325,069		325,069	403,141
6. Contract loans (including \$ premium notes)	0		0	0
7. Derivatives	0		0	0
8. Other invested assets	462,812		462,812	459,688
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets	0		0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	18,912,822	45,045	18,867,777	18,293,603
13. Title plants less \$ charged off (for Title insurers only)	0		0	0
14. Investment income due and accrued	131,139		131,139	124,806
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	306,547	288	306,259	306,254
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	62,077	6,747	55,330	87,664
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	34,213		34,213	34,213
18.2 Net deferred tax asset	250,435		250,435	237,109
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 (\$)	0		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	139,260
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)	19,697,233	52,080	19,645,153	19,222,909
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	19,697,233	52,080	19,645,153	19,222,909
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

STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)	2,686,619	2,536,568
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	495,500	495,500
4. Commissions payable, contingent commissions and other similar charges	199,608	207,342
5. Other expenses (excluding taxes, licenses and fees)	163,467	215,904
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	60,349	104,410
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 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)	3,973,781	3,801,759
10. Advance premium	67,236	43,301
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(38,048)	27,394
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	559,203	563,150
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	26,640	26,640
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	134,071	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)	8,328,426	8,021,968
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	8,328,426	8,021,968
29. Aggregate write-ins for special surplus funds	169,435	174,829
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)	11,147,292	11,026,112
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)	11,316,727	11,200,941
38. Totals (Page 2, Line 28, Col. 3)	19,645,153	19,222,909
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.	0	0
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	169,435	174,829
2902.	0	0
2903.	0	0
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)	169,435	174,829
3201.	0	0
3202.	0	0
3203.	0	0
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

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 1,037,975)	894,916	674,682	1,431,661
1.2 Assumed (written \$ 4,293,690)	4,121,666	3,764,079	7,753,808
1.3 Ceded (written \$ 970,592)	827,533	603,235	1,300,509
1.4 Net (written \$ 4,361,073)	4,189,049	3,835,526	7,884,960
DEDUCTIONS:			
2. Losses incurred (current accident year \$):)			
2.1 Direct	249,951	525,578	466,535
2.2 Assumed	2,860,483	2,419,329	5,245,061
2.3 Ceded	261,702	394,762	564,911
2.4 Net	2,848,732	2,550,145	5,146,685
3. Loss adjustment expenses incurred	388,844	370,238	736,889
4. Other underwriting expenses incurred	1,400,450	1,439,654	2,768,986
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	4,638,026	4,360,037	8,652,560
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(448,977)	(524,511)	(767,600)
INVESTMENT INCOME			
9. Net investment income earned	282,030	267,876	560,321
10. Net realized capital gains (losses) less capital gains tax of \$ (281)	(546)	114,728	110,253
11. Net investment gain (loss) (Lines 9 + 10)	281,484	382,604	670,574
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 4,085)	(4,085)	(3,038)	(7,037)
13. Finance and service charges not included in premiums	71,818	63,699	135,931
14. Aggregate write-ins for miscellaneous income	(184)	10	1,568
15. Total other income (Lines 12 through 14)	67,549	60,671	130,462
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(99,944)	(81,236)	33,436
17. Dividends to policyholders	0	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)	(99,944)	(81,236)	33,436
19. Federal and foreign income taxes incurred	281	(59,103)	(68,023)
20. Net income (Line 18 minus Line 19)(to Line 22)	(100,225)	(22,133)	101,459
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	11,200,940	11,163,380	11,163,381
22. Net income (from Line 20)	(100,225)	(22,133)	101,459
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 65,320	126,798	26,167	(145,775)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	84,041	56,426	(81,696)
27. Change in nonadmitted assets	10,567	(190)	(11,258)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	(5,394)	0	174,829
38. Change in surplus as regards policyholders (Lines 22 through 37)	115,787	60,270	37,559
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	11,316,727	11,223,650	11,200,940
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. OTHER INCOME	(184)	10	1,568
1402.	0	0	0
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(184)	10	1,568
3701. Change in surplus from SSAP No. 10R	(5,394)	0	174,829
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(5,394)	0	174,829

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	4,319,565	4,046,368	8,124,456
2. Net investment income	284,790	282,842	574,835
3. Miscellaneous income	67,549	60,671	130,462
4. Total (Lines 1 to 3)	4,671,904	4,389,881	8,829,753
5. Benefit and loss related payments	2,664,696	2,740,657	4,886,164
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,876,222	2,030,541	3,696,553
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	(78,284)	(78,284)
10. Total (Lines 5 through 9)	4,540,918	4,692,914	8,504,433
11. Net cash from operations (Line 4 minus Line 10)	130,986	(303,033)	325,320
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	300,081	630,903	1,260,124
12.2 Stocks	657,744	509,688	1,874,556
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	1
12.8 Total investment proceeds (Lines 12.1 to 12.7)	957,825	1,140,591	3,134,681
13. Cost of investments acquired (long-term only):			
13.1 Bonds	595,850	962,602	1,698,162
13.2 Stocks	829,628	471,695	1,755,087
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	1	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,425,479	1,434,297	3,453,249
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(467,654)	(293,706)	(318,568)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	258,596	608,614	(643,101)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	258,596	608,614	(643,101)
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)	(78,072)	11,875	(636,349)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	403,141	1,039,490	1,039,490
19.2 End of period (Line 18 plus Line 19.1)	325,069	1,051,365	403,141

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Sonnenberg 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

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors

No change.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A, B, C, D, E, F, G.

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change.

7. Investment Income

No change.

8. Derivative Instruments

No change.

9. Income Taxes

In September 2011, the NAIC adopted SSAP No. 101, *Income Taxes*, which supersedes SSAP No. 10R. The standard applies a 'more likely than not' threshold for the recognition of federal and foreign tax loss contingencies, establishes a new framework for determining the admissibility of deferred tax assets and adopts new disclosure requirements. The Company adopted this guidance effective January 1, 2012. The adoption of this guidance will result in increased disclosures and will have an immaterial impact on the Company's combined statutory financial statements

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

No change.

11. Debt

No change.

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

No change.

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

Not applicable.

14. Contingencies

No change.

15. Leases

No change.

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

No change.

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

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.

(1) Fair Value Measurements at Reporting Date:

Description	Period ended 03/31/2012	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	\$ 289,241	\$ 289,241	\$ -	\$ -
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Perpetual Preferred Stock	289,241	289,241	-	-
Bonds:				
U.S. Governments	2,307,495	2,307,495	-	-
Foreign Governments	341,626	341,626	-	-
Industrial and Misc	10,864,344	10,864,344	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Bonds	13,513,465	13,513,465	-	-
Common stock:				
Industrial and Misc	3,148,881	3,082,771	66,109	-
-	-	-	-	-
Mutual Funds	2,275,843	2,275,843	-	-
Money Market Funds	2,521	2,521	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Common Stocks	5,427,245	5,361,136	66,109	-
Other invested assets:				
Real estate	-	-	-	-
Other	462,810	-	-	462,810
Total Other Invested Assets	462,810	-	-	462,810
Total Assets at Fair Value:	<u>\$ 33,206,226</u>	<u>\$ 32,677,307</u>	<u>\$ 66,109</u>	<u>\$ 462,810</u>

b. Liabilities at fair value: Not applicable.

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

	Balance 12/31/2011	Total Transfers In/(out) Level 3	Total Gain/(Loss) Included in Net Income	Purchases, Gain/(Loss) Included in Surplus	Issuances, Sales, & Settlements	Balance 06/30/2012
Other Invested						
Assets	\$ 459,688	\$ -	\$ -	\$ 3,124	\$ -	\$ 462,810
Total	<u>\$ 459,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,124</u>	<u>\$ -</u>	<u>\$ 462,810</u>

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

(4) As of June 30, 2012, 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 June 30, 2012 for each respective entity totaling \$0.5 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.

20. Other Items

No change.

21. Events Subsequent

No change.

22. Reinsurance

No change.

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, 2011 were \$3.1 million. In calendar year 2012, \$1.3 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 \$1.8 million. Therefore, there has been a \$0.1 million favorable prior-year development from December 31, 2011 to June 30, 2012. The favorable development is generally the result of ongoing analysis of recent loss development trends, and from decreases in the estimates of loss and loss adjustment expenses for the following lines of business: commercial auto liability, auto physical damage, homeowners/farmowners, commercial multi-peril, other liability, workers compensation and special property. These decreases were offset, in part, by increases in private passenger auto liability. 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

No change.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No change.

31. High Deductibles

Not applicable.

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

No change.

33. Asbestos/Environmental Reserves

No change.

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 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes No
- 1.2 If yes, has the report been filed with the domiciliary state? Yes No
- 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. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes No
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes No NA
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 6.2 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
- 6.3 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
- 6.4 By what department or departments?
Ohio.....
- 6.5 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
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No NA
- 7.1 Has this 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
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes No
- 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
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), 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
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1 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
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

- 9.2 Has the code of ethics for senior managers been amended? Yes No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

13. Amount of real estate and mortgages held in short-term investments: \$0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1		2	
	Prior Year-End Book/Adjusted Carrying Value		Current Quarter Book/Adjusted Carrying Value	
14.21 Bonds	\$		\$	
14.22 Preferred Stock	\$		\$	
14.23 Common Stock	\$ 47,209		\$ 45,045	
14.24 Short-Term Investments	\$		\$	
14.25 Mortgage Loans on Real Estate	\$		\$	
14.26 All Other	\$		\$	
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ 47,209		\$ 45,045	
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$		\$	

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. 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

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

1 Name of Custodian(s)	2 Custodian Address
Merrill Lynch.....	Columbus, Ohio.....
First Merit.....	Akron, Ohio.....

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes No

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

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

16.5 Identify all investment advisors, broker/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	2 Name(s)	3 Address

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes No

17.2 If no, list exceptions:

.....

STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. District of Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	N	0	0	0	0	0	
15. Indiana	IN	L	244,459	169,104	165,797	117,034	52,597	98,881
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	793,516	564,575	99,595	277,322	191,679	286,866
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 2		1,037,975	733,679	265,392	394,356	244,276	385,747
DETAILS OF WRITE-INS								
5801.	XXX							
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		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.

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

Schedule Y - Part 1

NONE

Schedule Y - Part 1A

NONE

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	18,803	0	0.0	0.0
2. Allied lines	8,871	0	0.0	0.0
3. Farmowners multiple peril	181,979	9,523	5.2	15.5
4. Homeowners multiple peril	684,448	247,576	36.2	109.6
5. Commercial multiple peril	0	0	0.0	0.0
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	0	0	0.0	0.0
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	0	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	0	0	0.0	0.0
17.1 Other liability occurrence	815	0	0.0	110.0
17.2 Other liability-claims made	0	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	0	0	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	0	(6,548)	0.0	0.0
19.3,19.4 Commercial auto liability	0	0	0.0	0.0
21. Auto physical damage	0	(600)	0.0	0.0
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	0	0	0.0	0.0
27. Boiler and machinery	0	0	0.0	0.0
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	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	894,916	249,951	27.9	77.9
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)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	8,975	15,696	19,160
2. Allied lines	4,401	7,727	9,506
3. Farmowners multiple peril	92,147	178,636	188,231
4. Homeowners multiple peril	455,487	835,238	515,915
5. Commercial multiple peril	0	0	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	0	0	0
10. Financial guaranty	0	0	0
11.1 Medical professional liability-occurrence	0	0	0
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	0	0	0
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability occurrence	378	678	867
17.2 Other liability-claims made	0	0	0
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	0	0	0
18.2 Products liability-claims made	0	0	0
19.1,19.2 Private passenger auto liability	0	0	0
19.3,19.4 Commercial auto liability	0	0	0
21. Auto physical damage	0	0	0
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	561,388	1,037,975	733,679
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior	480	30	510	232	9	241	251	1	19	271	3	(1)	2
2. 2010	604	49	653	188	3	191	380	7	30	417	(36)	(9)	(45)
3. Subtotals 2010 + prior	1,084	79	1,163	420	12	432	631	8	49	688	(33)	(10)	(43)
4. 2011	1,470	399	1,869	652	171	823	808	65	162	1,035	(10)	(1)	(11)
5. Subtotals 2011 + prior	2,554	478	3,032	1,072	183	1,255	1,439	73	211	1,723	(43)	(11)	(54)
6. 2012	XXX	XXX	XXX	XXX	1,832	1,832	XXX	766	693	1,459	XXX	XXX	XXX
7. Totals	2,554	478	3,032	1,072	2,015	3,087	1,439	839	904	3,182	(43)	(11)	(54)
8. Prior Year-End Surplus As Regards Policy-holders	11,201										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (1.7)	2. (2.3)	3. (1.8)
													Col. 13, Line 7 Line 8
													4. (0.5)

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

	<u>Response</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	.....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.

Bar Code:

1.	 1 0 2 7 1 2 0 1 2 4 9 0 0 0 0 0 2
2.	 1 0 2 7 1 2 0 1 2 4 5 5 0 0 0 0 2
3.	 1 0 2 7 1 2 0 1 2 3 6 5 0 0 0 0 2
4.	 1 0 2 7 1 2 0 1 2 5 0 5 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	.0	.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		.0
2.2 Additional investment made after acquisition .....		.0
3. Current year change in encumbrances .....		.0
4. Total gain (loss) on disposals .....		.0
5. Deduct amounts received on disposals .....		.0
6. Total foreign exchange change in book/adjusted carrying value .....		.0
7. Deduct current year's other than temporary impairment recognized .....		.0
8. Deduct current year's depreciation .....		.0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	.0	.0
10. Deduct total nonadmitted amounts .....	.0	.0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	.0	.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		.0
2.2 Additional investment made after acquisition .....		.0
3. Capitalized deferred interest and other .....		.0
4. Accrual of discount .....		.0
5. Unrealized valuation increase (decrease) .....		.0
6. Total gain (loss) on disposals .....		.0
7. Deduct amounts received on disposals .....		.0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		.0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		.0
10. Deduct current year's other than temporary impairment recognized .....		.0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	.0	.0
12. Total valuation allowance .....		.0
13. Subtotal (Line 11 plus Line 12) .....	.0	.0
14. Deduct total nonadmitted amounts .....	.0	.0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	459,688	478,210
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		.0
2.2 Additional investment made after acquisition .....		.0
3. Capitalized deferred interest and other .....		.0
4. Accrual of discount .....		.0
5. Unrealized valuation increase (decrease)	3,124	(18,522)
6. Total gain (loss) on disposals .....		.0
7. Deduct amounts received on disposals .....		.0
8. Deduct amortization of premium and depreciation .....		.0
9. Total foreign exchange change in book/adjusted carrying value .....		.0
10. Deduct current year's other than temporary impairment recognized .....		.0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	462,812	459,688
12. Deduct total nonadmitted amounts .....	.0	.0
13. Statement value at end of current period (Line 11 minus Line 12)	462,812	459,688

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	17,477,983	17,210,061
2. Cost of bonds and stocks acquired	1,425,478	3,453,249
3. Accrual of discount	6,353	12,695
4. Unrealized valuation increase (decrease)	188,995	(202,349)
5. Total gain (loss) on disposals	(827)	167,050
6. Deduct consideration for bonds and stocks disposed of	957,595	3,134,680
7. Deduct amortization of premium	15,446	28,043
8. Total foreign exchange change in book/adjusted carrying value .....		.0
9. Deduct current year's other than temporary impairment recognized .....		.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	18,124,941	17,477,983
11. Deduct total nonadmitted amounts	45,045	47,209
12. Statement value at end of current period (Line 10 minus Line 11)	18,079,896	17,430,774

STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	12,163,543	1,058,739	1,014,670	6,461	12,163,543	12,214,072	.0	12,060,318
2. Class 2 (a).....	440,620			(629)	440,620	439,991	.0	441,239
3. Class 3 (a).....	74,000				74,000	74,000	.0	74,000
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	12,678,163	1,058,739	1,014,670	5,832	12,678,163	12,728,063	0	12,575,557
PREFERRED STOCK								
8. Class 1.....	214,880			(720)	214,880	214,160	.0	218,640
9. Class 2.....	75,458			(377)	75,458	75,081	.0	75,371
10. Class 3.....	.0				.0	.0	.0	.0
11. Class 4.....	.0				.0	.0	.0	.0
12. Class 5.....	.0				.0	.0	.0	.0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	290,338	0	0	(1,097)	290,338	289,241	0	294,011
15. Total Bonds & Preferred Stock	12,968,501	1,058,739	1,014,670	4,735	12,968,501	13,017,304	0	12,869,568

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	364,653	XXX	364,653	97	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	510,277	841,528
2. Cost of short-term investments acquired	993,439	2,212,949
3. Accrual of discount .....		.0
4. Unrealized valuation increase (decrease).....		.0
5. Total gain (loss) on disposals .....		.0
6. Deduct consideration received on disposals	1,139,063	2,544,199
7. Deduct amortization of premium.....		.0
8. Total foreign exchange change in book/adjusted carrying value.....		.0
9. Deduct current year's other than temporary impairment recognized.....		.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	364,653	510,277
11. Deduct total nonadmitted amounts.....		.0
12. Statement value at end of current period (Line 10 minus Line 11)	364,653	510,277

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10	
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)	
Bonds - U.S. Special Revenue										
172254-FU-3	Cincinnati OH Econ Dev Revenue		05/24/2012	Fifth Third Securities, L		100,000	100,000		1FE	
61212L-MF-3	University of Montana Revenue		05/25/2012	D A Davidson & Co		100,000	100,000		1FE	
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						200,000	200,000	0	XXX	
8399997 - Subtotals- Bonds - Part 3						200,000	200,000	0	XXX	
8399999 - Subtotals - Bonds						200,000	200,000	0	XXX	
Common Stocks - Industrial and Miscellaneous										
025537-10-1	American Electric Power Co		05/07/2012	Merrill Lynch	389,000	14,996			L	
037833-10-0	Apple Inc		05/11/2012	Merrill Lynch	18,000	10,250			L	
46625H-10-0	JP Morgan Chase & Co		05/11/2012	Merrill Lynch	410,000	15,016			L	
767204-10-0	Rio Tinto	R	05/24/2012	Merrill Lynch	112,000	5,009			L	
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)							45,272	XXX	0	XXX
Common Stocks - Mutual Funds										
018642-74-4	AllianceBernstein High Inc Muni Fn		05/04/2012	Merrill Lynch	2,270,663	25,000			U	
04315J-86-0	Artio Global High Income Fund	R	05/04/2012	Merrill Lynch	2,572,016	25,000			U	
57060U-10-0	Market Vectors Tr Gold Miners ETF		05/07/2012	Merrill Lynch	342,000	14,992			L	
72201M-73-5	PIMCO High Yield Fd CL P		04/27/2012	Merrill Lynch	2,682,403	25,000			U	
780905-60-0	Royce Premier Fund		05/18/2012	Merrill Lynch	542,005	10,000			U	
9299999 - Common Stocks - Mutual Funds							99,992	XXX	0	XXX
Common Stocks - Money Market Mutual Funds										
998911-UC-3	BBIF Money Fund Class 4		06/30/2012	Merrill Lynch	511,177,000	511,177			U	
9399999 - Common Stocks - Money Market Mutual Funds							511,177	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						656,441	XXX	0	XXX	
9799999 - Subtotals - Common Stocks						656,441	XXX	0	XXX	
9899999 - Subtotals- Preferred and Common Stocks						656,441	XXX	0	XXX	
9999999 Totals						856,441	XXX	0	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues5

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STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions																					
97705L-HZ-3	Wisconsin St FSA Ser D		05/01/2012	MATURITY		100,000	100,000	102,401	100,139		(139)		(139)		100,000			0	2,000	05/01/2012	1FE
1799999 - Bonds - U.S. States, Territories and Possessions																					
						100,000	100,000	102,401	100,139	0	(139)	0	(139)	0	100,000	0	0	0	2,000		XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
31331X-VM-1	Federal Farm Credit Bank		04/17/2012	CALLED @ 100.000000		100,000	100,000	99,620	99,767		11		11		99,779		221	221	2,725	04/17/2017	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
						100,000	100,000	99,620	99,767	0	11	0	11	0	99,779	0	221	221	2,725		XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
194160-DB-3	Colgate Palmolive Co Tr #00074		04/25/2012	MATURITY		100,000	100,000	101,900	100,142		(142)		(142)		100,000			0	2,990	04/25/2012	1FE
921937-82-7	Vanguard S/T Bond ETF		04/04/2012	CAPITAL GAIN		81							0				81	81			1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)																					
						100,081	100,000	101,900	100,142	0	(142)	0	(142)	0	100,000	0	81	81	2,990		XXX
8399997 - Subtotals - Bonds - Part 4																					
						300,081	300,000	303,921	300,048	0	(270)	0	(270)	0	299,779	0	303	303	7,715		XXX
8399999 - Subtotals - Bonds																					
						300,081	300,000	303,921	300,048	0	(270)	0	(270)	0	299,779	0	303	303	7,715		XXX
Common Stock - Mutual Funds																					
486606-10-6	Kayne Anderson MLP MLP & Strategic Equity Fund Inc		04/02/2012	ROC		1,141	XXX	1,141	1,141				0		1,141			0			XXX
55312N-10-6	MLP & Strategic Equity Fund Inc		05/01/2012	ROC		1,024	XXX	1,024	1,024				0		1,024			0			XXX
9299999 - Common Stocks - Mutual Funds																					
						2,165	XXX	2,165	2,165	0	0	0	0	0	2,165	0	0	0	0		XXX
Common Stocks - Money Market Mutual Funds																					
998911-JC-3	BBIF Money Fund Class 4		06/30/2012	Merrill Lynch		509,807,000	509,807	XXX	509,807				0		509,807			0			XXX
9399999 - Common Stocks - Money Market Mutual Funds																					
						509,807	509,807	XXX	509,807	0	0	0	0	0	509,807	0	0	0	0		XXX
9799997 - Subtotals - Common Stocks - Part 4																					
						511,972	XXX	511,972	2,165	0	0	0	0	0	511,972	0	0	0	0		XXX
9799999 - Subtotals - Common Stocks																					
						511,972	XXX	511,972	2,165	0	0	0	0	0	511,972	0	0	0	0		XXX
9899999 - Subtotals - Preferred and Common Stocks																					
						511,972	XXX	511,972	2,165	0	0	0	0	0	511,972	0	0	0	0		XXX
9999999 Totals																					
						812,053	XXX	815,893	302,213	0	(270)	0	(270)	0	811,751	0	303	303	7,715		XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues1.

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF JUNE 30, 2012 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0

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