



# QUARTERLY STATEMENT

As of June 30, 2012  
of the Condition and Affairs of the

## Safe Auto Insurance Company

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

### OFFICERS

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

### OTHER

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

### DIRECTORS OR TRUSTEES

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

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

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

_____ (Signature) Jon P Diamond 1. (Printed Name) President (Title)	_____ (Signature) Mark LeMaster 2. (Printed Name) Secretary & Executive Vice President (Title)	_____ (Signature) Greg A Sutton 3. (Printed Name) Executive Vice President (Title)
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Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no: 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

## ASSETS

	Current Statement Date			4
	1	2	3	December 31
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Prior Year Net Admitted Assets
1. Bonds.....	209,878,865		209,878,865	230,421,793
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	21,769,011		21,769,011	21,919,131
3. Mortgage loans on real estate:				
3.1 First liens.....	3,500,000		3,500,000	3,334,511
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	32,808,836		32,808,836	33,223,180
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....10,460,884), cash equivalents (\$.....4,999,766) and short-term investments (\$.....7,339,361).....	22,800,011		22,800,011	24,130,552
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....	1,430,000		1,430,000	1,430,000
9. Receivables for securities.....	9,159,673		9,159,673	1,500,198
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	301,346,396	.0	301,346,396	315,959,365
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	1,795,063		1,795,063	1,708,919
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	14,257,383		14,257,383	14,451,086
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	42,498,678		42,498,678	41,011,646
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	409,998		409,998	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	11,395,773		11,395,773	11,056,482
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	10,579,590	8,164,984	2,414,606	2,936,441
21. Furniture and equipment, including health care delivery assets (\$.....0).....	2,945,558	2,945,558	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	5,158,039		5,158,039	5,599,527
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	10,742,532	2,021,126	8,721,406	7,702,304
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	401,129,010	13,131,668	387,997,342	400,425,770
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	401,129,010	13,131,668	387,997,342	400,425,770

### DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Corporate owned life insurance.....	3,629,755		3,629,755	3,416,609
2502. Deferred compensation life insurance.....	3,398,483		3,398,483	2,983,560
2503. License/maintenance agreements (prepaid).....	3,038,802	1,668,239	1,370,563	976,501
2598. Summary of remaining write-ins for Line 25 from overflow page.....	675,492	352,887	322,605	325,634
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	10,742,532	2,021,126	8,721,406	7,702,304

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....44,456,754).....	93,695,785	97,700,791
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	36,573,999	36,660,999
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	5,880,907	6,663,711
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,828,715	3,953,158
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....150,000 and interest thereon \$.....0.....	150,000	150,000
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....)	73,771,769	71,635,184
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....	14,000,000	34,000,000
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	12,691	
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	11,783,434	3,201,551
20. Derivatives.....		
21. Payable for securities.....	7,228,053	
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	7,034,191	6,891,054
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	252,959,544	260,856,448
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	252,959,544	260,856,448
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	41,400,000	41,400,000
35. Unassigned funds (surplus).....	91,137,798	95,669,322
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	135,037,798	139,569,322
38. Totals.....	387,997,342	400,425,770

### DETAILS OF WRITE-INS

2501. Funds set aside for escheatment.....	2,458,052	2,624,643
2502. Executive deferred compensation payable.....	3,420,310	3,026,836
2503. Self-insured medical plan.....	454,084	490,356
2598. Summary of remaining write-ins for Line 25 from overflow page.....	701,745	749,219
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	7,034,191	6,891,054
2901. Additional admitted deferred tax assets.....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....147,348,225).....	145,211,641	160,733,034	303,108,196
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....0).....	109,645	53,500	107,000
1.4 Net..... (written \$.....147,348,225).....	145,101,996	160,679,534	303,001,196
DEDUCTIONS:			
2. Losses incurred (current accident year \$....88,944,856):			
2.1 Direct.....	90,166,355	80,126,839	154,541,727
2.2 Assumed.....			
2.3 Ceded.....	1,494,787		
2.4 Net.....	88,671,568	80,126,839	154,541,727
3. Loss adjustment expenses incurred.....	19,799,399	18,882,263	40,051,087
4. Other underwriting expenses incurred.....	66,137,305	68,888,778	126,732,315
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	174,608,272	167,897,880	321,325,129
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(29,506,276)	(7,218,346)	(18,323,933)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	4,258,807	5,161,949	9,601,877
10. Net realized capital gains (losses) less capital gains tax of \$....664,502.....	1,301,033	302,090	1,651,599
11. Net investment gain (loss) (Lines 9 + 10).....	5,559,840	5,464,039	11,253,476
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$....1,079,305).....	(1,079,305)	(1,707,419)	(3,986,708)
13. Finance and service charges not included in premiums.....	14,410,296	15,579,934	29,779,481
14. Aggregate write-ins for miscellaneous income.....	1,102,061	1,155,742	1,661,225
15. Total other income (Lines 12 through 14).....	14,433,052	15,028,257	27,453,998
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(9,513,384)	13,273,950	20,383,541
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(9,513,384)	13,273,950	20,383,541
19. Federal and foreign income taxes incurred.....	(4,132,410)	3,345,399	505,598
20. Net income (Line 18 minus Line 19) (to Line 22).....	(5,380,974)	9,928,551	19,877,943
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	139,569,316	182,347,475	182,347,472
22. Net income (from Line 20).....	(5,380,974)	9,928,551	19,877,943
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	(137,927)	402,064	(80,651)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	265,026	508,523	(3,141,293)
27. Change in nonadmitted assets.....	722,357	494,181	1,565,845
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....		(11,000,000)	(61,000,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(4,531,518)	333,319	(42,778,156)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	135,037,798	182,680,795	139,569,316

**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 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous income.....	1,102,061	1,155,742	1,661,225
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	1,102,061	1,155,742	1,661,225
3701. Additional admitted deferred tax assets.....			
3702. Reclassification of additional admitted deferred tax assets to special surplus funds.....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

Statement for June 30, 2012 of the **Safe Auto Insurance Company**  
**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	145,957,943	161,148,133	302,101,292
2. Net investment income.....	5,438,499	6,873,947	13,291,702
3. Miscellaneous income.....	14,433,052	15,028,257	27,453,998
4. Total (Lines 1 through 3).....	165,829,494	183,050,337	342,846,992
5. Benefit and loss related payments.....	93,086,572	90,056,041	175,993,946
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	87,930,951	91,066,919	168,332,136
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(3,467,908)	5,436,806	(137,506)
10. Total (Lines 5 through 9).....	177,549,615	186,559,766	344,188,576
11. Net cash from operations (Line 4 minus Line 10).....	(11,720,121)	(3,509,428)	(1,341,584)
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	62,816,994	70,633,229	137,144,580
12.2 Stocks.....	239,553	2,430,941	3,931,138
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			397
12.7 Miscellaneous proceeds.....	7,228,053	3,130,219	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	70,284,600	76,194,389	141,076,115
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	41,022,678	55,444,876	73,785,544
13.2 Stocks.....	439,053	6,752,681	7,599,569
13.3 Mortgage loans.....	165,489	2,984,511	3,334,511
13.4 Real estate.....		3,095,225	1,868,332
13.5 Other invested assets.....			1,430,000
13.6 Miscellaneous applications.....	7,659,475		1,500,198
13.7 Total investments acquired (Lines 13.1 to 13.6).....	49,286,695	68,277,293	89,518,154
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	20,997,905	7,917,096	51,557,961
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....	20,000,000	11,000,000	27,000,000
16.6 Other cash provided (applied).....	9,391,675	5,833,277	(14,277,175)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(10,608,325)	(5,166,723)	(41,277,175)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(1,330,541)	(759,056)	8,939,202
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	24,130,552	15,191,349	15,191,349
19.2 End of period (Line 18 plus Line 19.1).....	22,800,011	14,432,294	24,130,552

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

20.0001			
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**NOTES TO FINANCIAL STATEMENTS****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices**

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

	June 30, 2012	June 30, 2011
Net income Ohio basis	(5,380,974)	9,928,551
State prescribed practices	0	0
State permitted practices	0	0
Net income, NAIC SAP	<u>\$ (5,380,974)</u>	<u>\$ 9,928,551</u>
Statutory surplus Ohio basis	135,037,798	182,680,795
State prescribed practices	0	0
State permitted practices	0	0
Statutory surplus, NAIC SAP	<u>\$ 135,037,798</u>	<u>\$ 182,680,795</u>

There have been no significant changes in accounting policies.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS****A. None****3. BUSINESS COMBINATIONS AND GOODWILL****A. None****4. DISCONTINUED OPERATIONS****A. None****5. INVESTMENTS****A. Mortgage Loans**

- The Company carries one commercial mortgage loan with a current interest rate of 7.0% at June 30, 2012. The interest rate will change over the life of the loan. The mortgage balance due as of June 30, 2012 is \$3,500,000.
- The Company did not reduce interest rates on any outstanding loans during the current year.
- The maximum percentage of any one loan to the value of collateral at the time of the loan was 56%.
- The Company did not hold mortgages with interest 180 days or more past due.
- There were no taxes, assessments or any amounts advanced and not included in the mortgage loan.
- There were no impaired mortgage loans.

**B. Debt Restructuring**

- None

**C. Reverse Mortgages**

- None

**D. Loan-Backed Securities**

- Prepayment assumptions for mortgage-backed securities, collateralized mortgage obligations and other structured securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning). On an ongoing basis, we monitor the rate of prepayment and calibrate the model to reflect actual experience, market factors, and viewpoint.
- All loan backed securities with a 2012 recognized OTTI, disclosed in the aggregate, classified on the basis for the OTTI, are as follows:  
  
No OTTI on loan backed securities were recognized during the first six months of 2012.
- The following table provides information for each security with a 2012 recognized OTTI, currently held by the Company, and the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:  
  
No OTTI on loan backed securities were recognized during the first six months of 2012.

- Unrealized Loss greater than and less than 12 months:

Unrealized Losses Less Than 12 Months		Unrealized Losses Greater Than 12 Months		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
3,825,911	(21,956)	251,832	(30,199)	4,077,743	(52,155)

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

**NOTES TO FINANCIAL STATEMENTS**

- E. Repurchase Agreements
    - 1. None
  - F. Real Estate
    - 1. No impairment losses on real estate were necessary in 2012 or 2011.
    - 2. None
    - 3. None
    - 4. None
    - 5. None
  - G. Low Income Housing Tax Credits
    - 1. None
6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
- A. None
7. INVESTMENT INCOME
- A. None
8. DERIVATIVE INSTRUMENTS
- A. None
9. INCOME TAXES
- A. Safe Auto Insurance Company has adopted SSAP101 but it did not result in a significant change in the fundamental approach used for the reporting of our federal income tax provision, or have a significant impact on the Company's surplus.
10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES
- D. At June 30, 2012, the Company carried a net payable to Safe Auto Insurance Group, Inc. of \$8,896,822 and a net payable to Safe Auto Group Agency of \$11,779,183. The Company declared a \$50 million dividend payable to Safe Auto Insurance Group on August 16, 2011. As of June 30, 2012, \$14 million of this dividend was included in the net payable to Safe Auto Insurance Group as full payment of the dividend has not yet been made.
  - F. Safe Auto Group Agency, Inc. provides agency services for Safe Auto Insurance Company by employing certain agents, customer service and related management personnel while also exclusively providing certain advertising and marketing efforts. The services totaled \$9,360,121 and \$1,407,166 for the second quarters of 2012 and 2011, respectively, and \$24,549,222 and \$21,215,548 for the first six months of 2012 and 2011, respectively.
11. DEBT
- A. None
12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTEMPLOYMENT BENEFITS
- A. None
13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS
- A. None
14. CONTINGENCIES
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits
- The Company is named, from time to time and in the ordinary course of business, as a defendant in legal actions arising principally from claims made under its insurance contracts, including those seeking extra-contractual damages beyond policy limits. These are commonly referred to as extra-contractual or bad faith claims. Such legal actions are considered by the Company in estimating the loss and LAE reserves.
- The Company is also, from time to time and in the ordinary course of business, faced with class action lawsuits, regulatory proceedings, and individual lawsuits that are not directly related to its insurance contracts. These matters currently include: (1) the alleged improper charge for uninsured/underinsured motorist coverage and (2) the alleged improper charge for certain liability premiums. The Company is vigorously defending its position in these matters. In accordance with the applicable accounting principles, reserves have been established for those matters as to which the Company has determined it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Likewise, the Company has not established reserves for those matters where the loss is not probable and/or it currently is unable to estimate the Company's potential exposure. If any one or more of these matters results in a judgment against, or settlement by, the Company in an amount significantly in excess of the reserve established for such matter, if any, the resulting liability could have a material effect on the Company's financial condition, cash flows, and results of operations.
- At this time, the Company does not believe that any other legal action necessitates recognition of losses or disclosure, or that the resolution of such action would have a material adverse effect on the Company's financial position or results of operations.
15. LEASES
- A. None
16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS
- 1. Not applicable
17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES
- 1. None

**NOTES TO FINANCIAL STATEMENTS**

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

1. None

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

1. None

## 20. FAIR VALUE MEASUREMENT

## A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Assets recorded on the financial statements at fair value measurements by accounting hierarchy levels 1, 2 and 3

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

The Company had no liabilities recorded at fair value.

Description	Level 1	Level 2	Level 3
Residential mortgage backed securities	\$ -	\$ 98,390	\$ -
Total fixed maturities	-	98,390	-
Common stock	21,079,511	689,500	-
Total investments	\$ 21,079,511	\$ 787,890	\$ -

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

2. Roll forward of Level 3 items

The Company did not have any Level 3 assets at either June 30, 2012 or December 31, 2011.

3. Policy for Determining Transfers between Levels.

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

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

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

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

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

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

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

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

## 21. OTHER ITEMS

- A. None

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**NOTES TO FINANCIAL STATEMENTS**

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## 22. EVENTS SUBSEQUENT

- A. Subsequent events have been considered through 08/10/12 for the statutory statement issued on 08/10/12.

On July 18, 2012, a settlement was reached in a lawsuit against the Company. In conjunction with the lawsuit, the Company estimated and recorded a net liability of \$750,000 on Line 1 of the Liabilities, Surplus and Other Funds page. The actual settlement amount of \$1,850,000 was paid to the plaintiff in installments of \$1,250,000 and \$600,000 on July 20 and 27, respectively. The Company's Errors and Omissions Insurance will cover \$1,075,000 of this loss. The change will be recorded in the Third Quarter Statement on Line 2.1 of the Statement of Income.

## 23. REINSURANCE

- A. None

## 24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A. None

## 25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

- A. Reserves as of December 31, 2011 were \$134.3 million. As of June 30, 2012, \$60.6 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$74.4 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the most recent two accident years for both private passenger auto physical damage and other private passenger auto liability lines of insurance. Therefore, there has been a \$1.3 million unfavorable prior year development from December 31, 2011 to June 30, 2012. The increase 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 increases resulted from claim frequencies and severities being above previously projected levels in the preceding two most recent years. The Company experienced no prior year claim development on retrospectively rated policies because the company did not issue retrospectively rated policies during any prior year.

## 26. INTERCOMPANY POOLING ARRANGEMENTS

- A. None

## 27. STRUCTURE SETTLEMENTS

- A. None

## 28. HEALTH CARE RECEIVABLES

- A. None

## 29. PARTICIPATING POLICIES

- A. None

## 30. PREMIUM DEFICIENCY RESERVES

- A. None

## 31. HIGH DEDUCTIBLES

- A. None

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

- A. None

## 33. ASBESTOS/ENVIRONMENTAL RESERVES

- A. None

## 34. SUBSCRIBER SAVINGS ACCOUNTS

- A. None

## 35. MULTIPLE PERIL CROP INSURANCE

- A. None

## 36. FINANCIAL GUARANTY INSURANCE

- A. None

**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 [ X ]

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 [ X ]

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 [ X ]  
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 [ X ]

4.2 If yes, provide 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 Name of Entity	2 NAIC Company Code	3 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 [ ] N/A [ X ]  
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. 12/31/2009.....

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. 12/31/2009.....

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). 5/12/2011.....

6.4 By what department or departments?  
Ohio Department of Insurance

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 [ ] N/A [ X ]

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

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 [ X ]

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 [ 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 the 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

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 [ X ] No [ ]

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

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 [ X ]

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 [ X ]

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES - GENERAL**

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

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**PART 1 - FINANCIAL**

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....5,107,430

**PART 1 - 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 [ X ]

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

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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 [ X ]

14.2 If yes, please complete the following:

	1		2	
	Prior Year-End		Current Quarter	
	Book/Adjusted Carrying Value		Book/Adjusted Carrying Value	
14.21 Bonds.....	\$	.....0	\$	.....0
14.22 Preferred Stock.....	\$	.....0	\$	.....0
14.23 Common Stock.....	\$	.....0	\$	.....0
14.24 Short-Term Investments.....	\$	.....0	\$	.....0
14.25 Mortgage Loans on Real Estate.....	\$	.....0	\$	.....0
14.26 All Other.....	\$	.....0	\$	.....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	.....0	\$	.....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$	.....0	\$	.....0

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

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

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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 [ X ]    No [ ]

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

1	2
Name of Custodian(s)	Custodian Address
U.S. Bank	425 Walnut Street, 6th Floor, Cincinnati, OH 45202
Merrill Lynch	65 East State Street, Suite 2600, Columbus, OH 43215
JP Morgan Chase NA	Columbus Trust Office, 100 East Broad Street, Columbus, OH 43271-0192
JP Morgan Chase	100 N. Broadway, Oklahoma City, OK 73102
Bank of America Corporation	200 W. Capitol Avenue, FL 6, Little Rock, AR 72201
SunTrust	P.O. Box 26665, Richmond, VA 23261-6665
FHLB of Cincinnati	221 E. 4th Street, Suite 1000, Cincinnati, OH 45202

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	2	3
Name(s)	Location(s)	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 [ X ]

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

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

**PART 1 - INVESTMENT**

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

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

Yes [ X ]      No [   ]

17.2 If no, list exceptions:

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**Safe Auto Insurance Company**  
**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [ ] N/A [X]  
 If yes, attach an explanation.

---

2. Has the reporting entity reinsured any risk with any other reporting 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]  
 If yes, attach an explanation.

---

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

---

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period				
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total	
						0					0
Total.....	XXX...	XXX.....	0	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent 0.0 %  
 5.2 A&H cost containment percent 0.0 %  
 5.3 A&H expense percent excluding cost containment expenses 0.0 %

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

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

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

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
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**NONE**

**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					
2. Alaska.....	AK	N					
3. Arizona.....	AZ	L	5,370,774	5,840,106	2,903,645	3,163,994	3,689,310
4. Arkansas.....	AR	L					
5. California.....	CA	L					
6. Colorado.....	CO	L					
7. Connecticut.....	CT	N					
8. Delaware.....	DE	N					
9. District of Columbia.....	DC	N					
10. Florida.....	FL	N					
11. Georgia.....	GA	L	10,650,726	12,737,761	7,263,273	7,270,638	6,470,931
12. Hawaii.....	HI	N					
13. Idaho.....	ID	N					
14. Illinois.....	IL	L	7,269,850	8,580,882	4,585,823	5,022,121	5,255,774
15. Indiana.....	IN	L	12,641,359	14,706,234	8,378,496	8,336,617	8,646,086
16. Iowa.....	IA	N					
17. Kansas.....	KS	L	402,837	217,178	91,900	6,553	237,837
18. Kentucky.....	KY	L	18,306,938	15,663,832	10,540,782	8,163,778	12,034,817
19. Louisiana.....	LA	L	1,725,843	2,230,218	1,176,428	1,382,811	998,443
20. Maine.....	ME	N					
21. Maryland.....	MD	N					
22. Massachusetts.....	MA	N					
23. Michigan.....	MI	N					
24. Minnesota.....	MN	N					
25. Mississippi.....	MS	L	1,018,584	952,509	569,781	419,375	566,084
26. Missouri.....	MO	L	9,601,498	11,312,409	7,751,990	8,276,816	6,984,124
27. Montana.....	MT	N					
28. Nebraska.....	NE	N					
29. Nevada.....	NV	N					
30. New Hampshire.....	NH	N					
31. New Jersey.....	NJ	N					
32. New Mexico.....	NM	N					
33. New York.....	NY	N					
34. North Carolina.....	NC	N					
35. North Dakota.....	ND	N					
36. Ohio.....	OH	L	26,700,926	29,145,969	15,896,578	15,856,270	12,948,177
37. Oklahoma.....	OK	L	3,667,294	4,117,812	2,626,998	2,558,430	2,736,542
38. Oregon.....	OR	N					
39. Pennsylvania.....	PA	L	27,824,621	28,715,982	15,736,243	15,086,949	18,839,237
40. Rhode Island.....	RI	N					
41. South Carolina.....	SC	L	6,555,056	6,376,951	4,447,344	3,995,570	4,662,959
42. South Dakota.....	SD	N					
43. Tennessee.....	TN	L	4,600,323	5,067,044	3,115,475	2,645,009	2,699,659
44. Texas.....	TX	L	10,193,431	13,497,701	7,369,259	7,862,997	6,864,015
45. Utah.....	UT	N					
46. Vermont.....	VT	N					
47. Virginia.....	VA	L	818,165	221,002	210,994	8,111	365,731
48. Washington.....	WA	N					
49. West Virginia.....	WV	N					
50. Wisconsin.....	WI	N					
51. Wyoming.....	WY	N					
52. American Samoa.....	AS	N					
53. Guam.....	GU	N					
54. Puerto Rico.....	PR	N					
55. US Virgin Islands.....	VI	N					
56. Northern Mariana Islands.....	MP	N					
57. Canada.....	CN	N					
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0
59. Totals.....	(a) 19		147,348,225	159,383,590	92,665,009	90,056,039	93,999,726

**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 thru 5803 + Line 5898) (Line 58 above).....	XXX	0	0	0	0	0	0

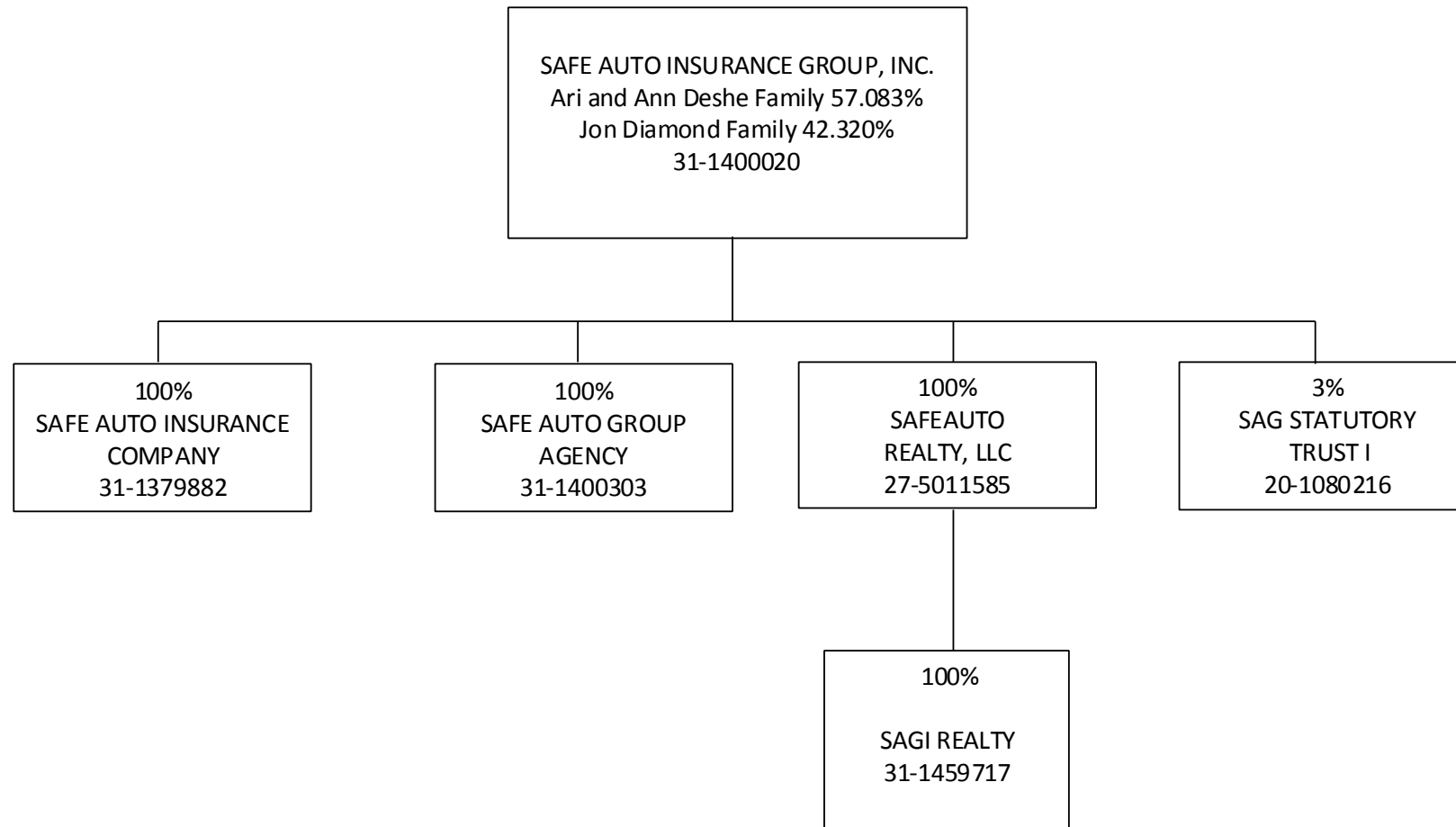
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(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 – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

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**NONE**

Q11.1

## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*

**Members**

.....	Safe Auto Insurance Group, Inc.....	.....	31-1400020	.....	.....	.....	Safe Auto Insurance Group, Inc.....	OH.....	UDP.....	Deshe & Diamond Families.....	Owndership.....	.....	Deshe Family.....	.....
.....	Safe Auto Insurance Group, Inc.....	25405.....	31-1379882	.....	.....	.....	Safe Auto Insurance Company.....	OH.....	.....	Safe Auto Insurance Group, Inc.....	Owndership.....	...100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	31-1400303	.....	.....	.....	Safe Auto Group Agency.....	OH.....	NIA.....	Safe Auto Insurance Group, Inc.....	Owndership.....	...100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	27-5011585	.....	.....	.....	SafeAuto Realty LLC.....	OH.....	NIA.....	Safe Auto Insurance Group, Inc.....	Owndership.....	...100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	31-1459717	.....	.....	.....	SAGI Realty.....	OH.....	NIA.....	SafeAuto Realty LLC.....	Owndership.....	...100.000	SafeAuto Realty LLC.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	20-1080216	.....	.....	.....	SAG Statutory Trust I.....	OH.....	NIA.....	Safe Auto Insurance Group, Inc.....	Owndership.....	...100.000	Safe Auto Insurance Group, Inc.....	.....

**PART 1 - LOSS EXPERIENCE**

Lines 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.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....			0.0	
17.2. Other liability-claims made.....			0.0	
17.3. Excess workers' compensation.....			0.0	
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	105,528,586	65,498,198	62.1	50.5
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....	39,683,055	24,668,157	62.2	48.0
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	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	
35. Totals.....	145,211,641	90,166,355	62.1	49.9

**DETAILS OF WRITE-INS**

3401.....			0.0	
3402.....			0.0	
3403.....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....			
17.3. Excess workers' compensation.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....	42,124,117	106,859,879	116,343,477
19.3 19.4 Commercial auto liability.....			
21. Auto physical damage.....	16,686,546	40,488,345	43,040,114
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	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.....	58,810,663	147,348,224	159,383,591

**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 thru 3403 plus 3498) (Line 34).....	0	0	0

**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.....	18,235	2,787	21,022	6,768	100	6,868	11,270	549	1,033	12,852	(197)	(1,105)	(1,302)
2. 2010.....	27,725	3,946	31,671	12,938	164	13,102	17,912	273	1,248	19,433	3,125	(2,261)	864
3. Subtotals 2010 + Prior.....	45,960	6,733	52,693	19,706	264	19,970	29,182	822	2,281	32,285	2,928	(3,366)	(438)
4. 2011.....	68,612	13,059	81,671	38,672	1,947	40,619	34,725	2,343	5,684	42,752	4,785	(3,085)	1,700
5. Subtotals 2011 + Prior.....	114,572	19,792	134,364	58,378	2,211	60,589	63,907	3,165	7,965	75,037	7,713	(6,451)	1,262
6. 2012.....	XXX	XXX	XXX	XXX	51,975	51,975	XXX	49,983	5,251	55,234	XXX	XXX	XXX
7. Totals.....	114,572	19,792	134,364	58,378	54,186	112,564	63,907	53,148	13,216	130,271	7,713	(6,451)	1,262
8. Prior Year-End's Surplus As Regards Policyholders	139,569										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. ....6.7 %	2. ....(32.6)%	3. ....0.9 %
													Col. 13, Line 7 Line 8
													4. ....0.9 %

Q14

# 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.

	<b>Response</b>
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?	YES

**Explanation:**

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

**Bar Code:**



Statement for June 30, 2012 of the **Safe Auto Insurance Company**  
**Overflow Page for Write-Ins**

**Additional Write-ins for Assets:**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Prepaid expenses.....	257,405	257,405	0	
2505. Job incentives receivables.....	220,636		220,636	200,830
2506. Postage receivable.....	95,481	95,482	(1)	
2507. Miscellaneous receivables.....	101,970		101,970	124,804
2597. Summary of remaining write-ins for Line 25.....	675,492	352,887	322,605	325,634

**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2504. Corporate reserve.....	675,000	650,000
2505. Declined payments suspense.....	9,215	12,459
2506. Payroll related suspense & payables.....	3,075	82,633
2507. Miscellaneous liabilities.....	14,455	4,127
2597. Summary of remaining write-ins for Line 25.....	701,745	749,219

**Safe Auto Insurance Company**  
**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.....	33,223,178	32,160,183
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		1,868,332
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....	414,342	805,337
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	32,808,836	33,223,178
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	32,808,836	33,223,178

**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.....	3,334,511	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	0	2,784,511
2.2 Additional investment made after acquisition.....	165,489	550,000
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	3,500,000	3,334,511
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	3,500,000	3,334,511
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	3,500,000	3,334,511

**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.....	1,430,000	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		1,430,000
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	1,430,000	1,430,000
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	1,430,000	1,430,000

**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.....	252,340,926	311,608,109
2. Cost of bonds and stocks acquired.....	41,461,731	81,385,113
3. Accrual of discount.....	22,740	85,722
4. Unrealized valuation increase (decrease).....	(212,194)	(124,079)
5. Total gain (loss) on disposals.....	1,965,453	2,985,816
6. Deduct consideration for bonds and stocks disposed of.....	63,056,547	141,075,718
7. Deduct amortization of premium.....	874,234	2,183,944
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		340,093
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	231,647,875	252,340,926
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	231,647,875	252,340,926

## 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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	242,688,062	35,735,429	69,468,518	(642,637)	242,688,062	208,312,335		244,679,203
2. Class 2 (a).....	6,579,716	7,202,297	317,497	(21,096)	6,579,716	13,443,420		5,120,935
3. Class 3 (a).....			24,991	238,742		213,751		248,350
4. Class 4 (a).....	443,907		250,000	9,289	443,907	203,196		203,197
5. Class 5 (a).....								
6. Class 6 (a).....	45,859		570		45,859	45,289		46,981
7. Total Bonds.....	249,757,544	42,937,726	70,061,576	(415,702)	249,757,544	222,217,991	0	250,298,666
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	249,757,544	42,937,726	70,061,576	(415,702)	249,757,544	222,217,991	0	250,298,666

QS102

(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 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	7,339,360	XXX	7,339,360	75	

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	19,876,870	2,067,504
2. Cost of short-term investments acquired.....	13,314,314	39,015,761
3. Accrual of discount.....	2,812	534
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	12	
6. Deduct consideration received on disposals.....	25,854,647	21,206,301
7. Deduct amortization of premium.....		628
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	7,339,361	19,876,870
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	7,339,361	19,876,870

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**SCHEDULE E- VERIFICATION**

## Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	4,999,872
2. Cost of cash equivalents acquired.....	17,746,919	108,241,863
3. Accrual of discount.....	1,000	7,200
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	71	397
6. Deduct consideration received on disposals.....	12,748,224	113,249,332
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	4,999,766	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	4,999,766	0

### SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						

**NONE**

QE01

### SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs, and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							

**NONE**

### SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
Loan Number	2	3	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings
	City	State						

**Mortgages in Good Standing**

**Commercial Mortgages - All Other**

1	Columbus	OH		02/25/2011	7.000	2,784,511	715,489	6,300,000
0599999	Total - Mortgages in Good Standing - Commercial Mortgages - All Other			XXX	XXX	2,784,511	715,489	6,300,000
0899999	Total - Mortgages in Good Standing			XXX	XXX	2,784,511	715,489	6,300,000
3399999	Total Mortgages			XXX	XXX	2,784,511	715,489	6,300,000

QE02

### SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
Loan Number	2	3	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	8	9	10	11	12	13	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
	City	State					Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value					

**NONE**

### SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Design- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									

**NONE**

QE03

### SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						

**NONE**

### SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>									
3137EA DB 2	FEDERAL HOME LOAN MORTGAGE CORPORATION.....		...06/29/2012	PARIBAS CORPORATION.....		.....2,057,092	.....2,000,000	.....22,299	1.....
912810 PV 4	UNITED STATES TREASURY INFL INDEX NOTES.....		...04/16/2012	MERRILL LYNCH.....		.....667,978	.....500,000	.....2,424	1.....
0599999.	Total - Bonds - U.S. Government.....					.....2,725,070	.....2,500,000	.....24,723	.....XXX.....
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
57583U KR 8	MASSACHUSETTS ST DEV FIN AGY R.....		...04/12/2012	MERRILL LYNCH.....		.....157,062	.....150,000	.....267	1FE.....
646065 D9 0	NEW JERSEY ST EDUCTNL FACS AUT.....		...04/16/2012	MERRILL LYNCH.....		.....294,495	.....250,000	.....3,750	1FE.....
677704 YN 2	OHIO UNIV GEN RECPTS ATHENS.....		...04/18/2012	MERRILL LYNCH.....		.....298,300	.....250,000	.....1,875	1FE.....
751073 HD 2	RALEIGH DURHAM NC ARPT AUTH AR.....		...05/08/2012	MERRILL LYNCH.....		.....287,378	.....250,000	.....347	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments.....					.....1,037,235	.....900,000	.....6,239	.....XXX.....
<b>Bonds - Industrial and Miscellaneous</b>									
00101J AA 4	ADT CORP.....		...06/28/2012	JP MORGAN SECURITIES INC.....		.....1,005,830	.....1,000,000		2FE.....
03523T AN 8	ANHEUSER-BUSCH INBEV WOR.....		...05/09/2012	CITIGROUP GLOBAL MARKETS.....		.....1,206,070	.....1,000,000	.....17,767	1FE.....
057224 BC 0	BAKER HUGHES INC.....		...05/16/2012	CITIGROUP GLOBAL MARKETS.....		.....1,038,520	.....1,000,000	.....8,533	1FE.....
073730 AE 3	BEAM INC.....		...06/27/2012	CREDIT SUISSE FIRST BOSTON.....		.....1,010,660	.....1,000,000	.....3,431	2FE.....
118230 AJ 0	BUCKEYE PARTNERS LP.....		...05/01/2012	MERRILL LYNCH.....		.....257,835	.....250,000	.....3,148	2FE.....
20030N BD 2	COMCAST CORP.....		...06/26/2012	WELLS FARGO FINANCIAL.....		.....999,140	.....1,000,000		2FE.....
25245B AB 3	DIAGEO INVESTMENT CORP.....		...05/08/2012	DEUTSCHE BANK.....		.....996,380	.....1,000,000		1FE.....
30161M AF 0	EXELON GENERATION CO LLC.....		...06/26/2012	MERRILL LYNCH.....		.....110,755	.....100,000	.....1,271	2FE.....
373334 JX 0	GEORGIA POWER COMPANY.....		...05/08/2012	JP MORGAN SECURITIES INC.....		.....998,270	.....1,000,000		1FE.....
494550 BC 9	KINDER MORGAN ENER PART.....		...04/12/2012	MERRILL LYNCH.....		.....257,045	.....225,000	.....1,668	2FE.....
50076Q AA 4	KRAFT FOODS GROUP INC.....		...05/30/2012	CITIGROUP GLOBAL MARKETS.....		.....998,170	.....1,000,000		2FE.....
674599 BY 0	OCCIDENTAL PETROLEUM COR.....		...05/04/2012	WELLS FARGO FINANCIAL.....		.....1,116,370	.....1,000,000	.....11,161	1FE.....
69352J AG 2	PPL ENERGY SUPPLY LLC.....		...04/17/2012	MERRILL LYNCH.....		.....109,738	.....100,000	.....79	2FE.....
713448 BY 3	PEPSICO INC.....		...05/15/2012	MORGAN STANLEY & CO.....		.....997,500	.....1,000,000	.....5,576	1FE.....
887317 AQ 8	TIME WARNER INC.....		...06/27/2012	JP MORGAN SECURITIES INC.....		.....1,010,620	.....1,000,000	.....1,511	2FE.....
907818 DM 7	UNION PACIFIC CORP.....		...06/27/2012	JP MORGAN SECURITIES INC.....		.....1,008,580	.....1,000,000	.....1,721	2FE.....
913017 BV 0	UNITED TECHNOLOGIES CORP.....		...05/24/2012	BANK OF AMERICA.....		.....999,230	.....1,000,000		1FE.....
931142 CU 5	WAL-MART STORES INC.....		...06/28/2012	PARIBAS CORPORATION.....		.....1,108,900	.....1,000,000	.....17,622	1FE.....
976656 CD 8	WISC ELEC POWER.....		...05/17/2012	WELLS FARGO FINANCIAL.....		.....1,032,870	.....1,000,000	.....5,490	1FE.....
292505 AH 7	ENCANA CORP.....	I.....	...04/25/2012	MERRILL LYNCH.....		.....185,899	.....155,000	.....4,618	2FE.....
292505 AJ 3	ENCANA CORP.....	I.....	...05/01/2012	MERRILL LYNCH.....		.....248,025	.....250,000	.....4,604	2FE.....
377373 AC 9	GLAXOSMITHKLINE CAPITAL.....	R.....	...06/28/2012	RBC CAPITAL MARKETS.....		.....1,004,620	.....1,000,000	.....2,250	1FE.....
404280 AK 5	HSBC HOLDINGS PLC.....	R.....	...06/27/2012	HSBC SECURITIES USA INC.....		.....1,117,600	.....1,000,000	.....11,900	1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					.....18,818,627	.....18,080,000	.....102,350	.....XXX.....
8399997.	Total - Bonds - Part 3.....					.....22,580,932	.....21,480,000	.....133,312	.....XXX.....
8399999.	Total - Bonds.....					.....22,580,932	.....21,480,000	.....133,312	.....XXX.....
<b>Common Stocks - Industrial and Miscellaneous</b>									
718546 10 4	PHILLIPS 66.....		...05/01/2012	SPINOFF.....	.....6,850,000	.....239,553	.....XXX		L.....
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....					.....239,553	.....XXX	.....0	.....XXX.....
<b>Common Stocks - Mutual Funds</b>									
72201R 78 3	PIMCO 0-5 YEAR H/Y CORP BOND.....		...06/26/2012	MERRILL LYNCH.....	.....2,000,000	.....199,500	.....XXX		L.....
9299999.	Total - Common Stocks - Mutual Funds.....					.....199,500	.....XXX	.....0	.....XXX.....
9799997.	Total - Common Stocks - Part 3.....					.....439,053	.....XXX	.....0	.....XXX.....
9799999.	Total - Common Stocks.....					.....439,053	.....XXX	.....0	.....XXX.....
9899999.	Total - Preferred and Common Stocks.....					.....439,053	.....XXX	.....0	.....XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....					.....23,019,985	.....XXX	.....133,312	.....XXX.....

QE04

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

## 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	Forfeiture	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)
<b>Bonds - U.S. Government</b>																					
3620C6 UC 7	GOVERNMENT NATL MTG ASSOC #750379		06/22/2012	VARIOUS		2,542,295	2,347,906	2,419,444	2,413,686		(8,773)		(8,773)		2,404,913		137,382	137,382	51,201	07/01/2040	1
36295W JM 0	GOVERNMENT NATL MTG ASSOC #682568		06/15/2012	VARIOUS		3,035,003	2,788,632	2,873,598	2,866,328		(5,468)		(5,468)		2,860,860		174,143	174,143	61,017	06/01/2040	1
36296P KQ 3	GOVERNMENT NATL MTG ASSOC #697003		06/22/2012	VARIOUS		2,875,295	2,637,113	2,717,463	2,715,058		(7,131)		(7,131)		2,707,926		167,369	167,369	57,945	05/01/2040	1
36296U SY 7	GOVERNMENT NATL MTG ASSOC #701735		06/01/2012	PAYDOWN		197,669		201,746	197,915		(246)		(246)		197,669				3,596	12/01/2038	1
36296X SY 1	GOVERNMENT NATL MTG ASSOC #704435		06/22/2012	VARIOUS		2,327,769	2,139,206	2,183,327	2,179,063		(5,741)		(5,741)		2,173,322		154,448	154,448	52,054	11/01/2038	1
36297J TV 6	GOVERNMENT NATL MTG ASSOC #713464		06/01/2012	PAYDOWN		49,308	49,308	50,818	49,451		(143)		(143)		49,308				1,032	02/01/2039	1
0599999	Total - Bonds - U.S. Government					11,027,339	10,159,834	10,446,396	10,421,501	0	(27,502)	0	(27,502)	0	10,393,998	0	633,342	633,342	226,845	XXX	XXX
<b>Bonds - All Other Government</b>																					
46513E 3R 1	ISRAEL STATE OF	F	05/01/2012	MATURITY		500,000	500,000	500,000	500,000				0		500,000				11,842	05/01/2012	1
1099999	Total - Bonds - All Other Government					500,000	500,000	500,000	500,000	0	0	0	0	0	500,000	0	0	0	11,842	XXX	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>																					
649791 CL 2	NEW YORK ST		05/31/2012	BMO CAPITAL MARKETS		1,704,030	1,500,000	1,481,415	1,483,844		614		614		1,484,458		219,572	219,572	50,690	03/01/2021	1FE
1799999	Total - Bonds - U.S. States, Territories & Possessions					1,704,030	1,500,000	1,481,415	1,483,844	0	614	0	614	0	1,484,458	0	219,572	219,572	50,690	XXX	XXX
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
251093 ZH 6	DETROIT MI		04/01/2012	MATURITY		250,000	250,000	253,948	248,350	1,797	(147)		1,650		250,000				4,688	04/01/2012	4FE
2499999	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					250,000	250,000	253,948	248,350	1,797	(147)	0	1,650	0	250,000	0	0	0	4,688	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
13066E KN 2	CALIFORNIA ST DEPT OF WTR RESO		06/21/2012	MORGAN STANLEY & CO		4,901,668	4,110,000	4,732,871	4,586,505		(32,996)		(32,996)		4,553,509		348,159	348,159	117,021	12/01/2022	1FE
25477G DY 8	DIST OF COLUMBIA INCOME TAX SE		06/01/2012	VARIOUS		2,051,118	1,700,000	1,905,938	1,875,460		(7,705)		(7,705)		1,867,755		183,363	183,363	43,444	12/01/2023	1FE
3128H7 X8 0	FEDERAL HOME LOAN MTG CORP #E99703		06/01/2012	PAYDOWN		42,962	42,962	43,627	42,995		(33)		(33)		42,962				902	02/01/2018	1
3128MC JK 2	FEDERAL HOME LOAN MTG CORP #G13666		06/01/2012	PAYDOWN		98,211	98,211	101,694	98,560		(349)		(349)		98,211				1,843	03/01/2024	1
3128PN AW 8	FEDERAL HOME LOAN MTG CORP #J09921		06/01/2012	PAYDOWN		239,403	239,403	242,994	239,548		(145)		(145)		239,403				4,007	02/01/2024	1
3128PN BR 8	FEDERAL HOME LOAN MTG CORP #J09948		06/01/2012	PAYDOWN		311,240	311,240	315,909	311,529		(289)		(289)		311,240				4,909	12/01/2023	1
3128PP 5E 9	FEDERAL HOME LOAN MTG CORP #J10845		06/01/2012	PAYDOWN		7,145	7,145	7,345	7,164		(18)		(18)		7,145				135	01/01/2024	1
3128PQ UY 3	FEDERAL HOME LOAN MTG CORP #J11495		06/01/2012	PAYDOWN		131,220	131,220	136,592	131,618		(398)		(398)		131,220				2,247	10/01/2024	1
3128PR U9 8	FEDERAL HOME LOAN MTG CORP #J12408		06/01/2012	PAYDOWN		314,823	314,823	323,973	315,195		(372)		(372)		314,823				4,901	11/01/2024	1
3128PR UW 7	FEDERAL HOME LOAN MTG CORP #J12397		06/01/2012	PAYDOWN		281,026	281,026	289,193	281,423		(397)		(397)		281,026				4,659	02/01/2025	1
3128PS JD 0	FEDERAL HOME LOAN MTG CORP #J12960		06/01/2012	PAYDOWN		158,133	158,133	163,025	158,256		(123)		(123)		158,133				2,103	03/01/2025	1
3128PS KA 4	FEDERAL HOME LOAN MTG CORP #J12989		06/01/2012	PAYDOWN		195,581	195,581	198,148	195,807		(227)		(227)		195,581				2,800	06/01/2025	1
3128PU ND 0	FEDERAL HOME LOAN MTG CORP #J14888		06/01/2012	PAYDOWN		188,428	188,428	190,901	188,463		(35)		(35)		188,428				2,731	01/01/2026	1
312944 FE 6	FEDERAL HOME LOAN MTG CORP #A95565		06/01/2012	PAYDOWN		86,443	86,443	84,106	86,424		19		19		86,443				1,520	09/01/2040	1
312962 5L 3	FEDERAL HOME LOAN MTG CORP #B10851		06/01/2012	PAYDOWN		10,331	10,331	10,558	10,348		(17)		(17)		10,331				223	04/01/2018	1
312964 E9 6	FEDERAL HOME LOAN MTG CORP #B11960		06/01/2012	PAYDOWN		24,304	24,304	24,486	24,304		(7)		(7)		24,304				447	07/01/2018	1
3137A1 X9 9	FREDDIE MAC -3719 LE		06/01/2012	PAYDOWN		146,133	146,133	150,129	146,486		(352)		(352)		146,133				2,426	06/01/2019	1
3137A6 BR 2	FREDDIE MAC -3813 FA		06/15/2012	PAYDOWN		130,347	130,347	130,591	130,356		(10)		(10)		130,347				412	03/15/2017	1
3138A3 DM 6	FEDERAL NATIONAL MTG ASSOC #AH1907		06/01/2012	PAYDOWN		20,857	20,857	21,720	21,053		(197)		(197)		20,857				333	02/01/2026	1
3138A6 ZQ 6	FEDERAL NATIONAL MTG ASSOC #AH5250		06/01/2012	PAYDOWN		18,888	18,888	19,670	18,914		(26)		(26)		18,888				314	10/01/2025	1
31393Q LE 0	FEDERAL HOME LOAN MTG CORP 2619 YT		06/01/2012	PAYDOWN		20,497	20,497	20,234	20,462		35		35		20,497				380	02/01/2013	1
31393Q MH 2	FEDERAL HOME LOAN MTG CORP 2614 EQ		06/01/2012	PAYDOWN		11,600	11,600	11,191	11,544		56		56		11,600				221	03/01/2014	1
31393Q WR 9	FEDERAL HOME LOAN MTG CORP 2610 DG		06/01/2012	PAYDOWN		24,404	24,404	22,962	24,025		379		379		24,404				331	07/01/2013	1
31394D XS 4	FEDERAL NATIONAL MTG ASSOC 05 49 A		06/01/2012	PAYDOWN		94,654	94,654	94,876	94,654		0		0		94,654				1,959	08/01/2014	1
31395E M4 6	FREDDIE MAC -2846 A		06/01/2012	PAYDOWN		238,110	238,110	244,956	238,718		(608)		(608)		238,110				4,529	11/01/2012	1
31398C D4 7	FREDDIE MAC -3527 DA		06/01/2012	PAYDOWN		117,592	117,592	121,946	118,038		(446)		(446)		117,592				1,939	03/01/2023	1
31398M FS 0	FNR 2010-17 CA		06/01/2012	PAYDOWN		39,887	39,887	41,403	40,145		(258)		(258)		39,887				660	10/01/2016	1

QE05

### 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	Forfeiture	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)
31398P QS 1	FANNIE MAE 10-40 DN.....		06/01/2012	PAYDOWN.....		149,037	149,037	151,831	149,261		(224)		(224)		149,037			0	2,140	07/01/2016	1.....
31412Q ER 6	FEDERAL NATIONAL MTG ASSOC #931744.....		06/01/2012	PAYDOWN.....		204,072	204,072	210,066	204,814		(743)		(743)		204,072			0	3,704	03/01/2024	1.....
31415T RF 9	FEDERAL NATIONAL MTG ASSOC #988886.....		06/01/2012	PAYDOWN.....		74,611	74,611	76,920	74,522		89		89		74,611			0	998	07/01/2025	1.....
31416W H6 2	FEDERAL NATIONAL MTG ASSOC #AB1152.....		06/01/2012	PAYDOWN.....		264,811	264,811	274,866	265,577		(766)		(766)		264,811			0	4,366	02/01/2025	1.....
31417M KJ 1	FEDERAL NATIONAL MTG ASSOC #AC2996.....		06/01/2012	PAYDOWN.....		123,824	123,824	129,590	124,611		(787)		(787)		123,824			0	2,278	04/01/2024	1.....
31417M TM 5	FEDERAL NATIONAL MTG ASSOC #AC3255.....		06/01/2012	PAYDOWN.....		69,970	69,970	73,228	70,299		(329)		(329)		69,970			0	1,347	05/01/2024	1.....
31417M XL 2	FEDERAL NATIONAL MTG ASSOC #AC3382.....		06/01/2012	PAYDOWN.....		34,135	34,135	35,661	34,254		(119)		(119)		34,135			0	708	06/01/2024	1.....
31417V R6 2	FEDERAL NATIONAL MTG ASSOC #AC8608.....		06/01/2012	PAYDOWN.....		57,408	57,408	59,991	58,176		(768)		(768)		57,408			0	1,072	07/01/2023	1.....
31417W PV 7	FEDERAL NATIONAL MTG ASSOC #AC9435.....		06/01/2012	PAYDOWN.....		35,857	35,857	37,471	36,008		(151)		(151)		35,857			0	673	03/01/2024	1.....
38373A D9 4	GINNIE MAE 2009-69 PV.....		06/01/2012	PAYDOWN.....		238,691	238,691	241,563	238,759		(68)		(68)		238,691			0	3,886	11/01/2032	1.....
38374B 5M 1	GOVERNMENT NATL MTG ASSOC 03 79 PH.....		06/01/2012	PAYDOWN.....		18,271	18,271	18,960	18,327		(56)		(56)		18,271			0	377	03/01/2014	1.....
546475 LL 6	LOUISIANA ST GAS & FUELS TAX R.....		05/31/2012	PERFORMANCE TRUST CAPITAL PARTNERS.....		1,697,544	1,440,000	1,411,200	1,412,141		366		366		1,412,507		285,037	285,037	42,800	05/01/2031	1FE.....
56052E ML 9	MAINE ST HSG AUTH MTGE REVENUE.....		04/10/2012	SINKING FUND REDEMPTION.....		10,000	10,000	10,000	10,000		0		0		10,000			0	151	11/15/2019	1FE.....
62888V AB 4	NCUA GUARANTEED NOTES 10-R1 2A.....		06/04/2012	PAYDOWN.....		139,620	139,620	139,607	139,599		21		21		139,620			0	1,069	12/04/2014	1.....
68608R 8Q 9	OREGON ST HSG & CMNTY SVCS DEP.....		04/01/2012	SINKING FUND REDEMPTION.....		100,000	100,000	107,459	100,478		(478)		(478)		100,000			0	3,194	07/01/2031	1FE.....
68611P AL 6	OREM UT SALES TAX REVENUE.....		04/19/2012	ISSUER at 100.000.....		250,000	250,000	261,555	250,692		(692)		(692)		250,000			0	6,006	04/15/2013	1FE.....
70917N QJ 6	PENNSYLVANIA ST HGR EDUC TNL FA.....		06/15/2012	PREREFUNDED.....		300,000	300,000	330,405	301,689		(1,689)		(1,689)		300,000			0	7,500	06/15/2012	1FE.....
927781 SN 5	VIRGINIA ST CLG BLDG AUTH EDUC.....		05/31/2012	SUNTRUST CAPITAL MARKETS.....		2,400,000	2,000,000	2,249,220	2,208,669		(10,266)		(10,266)		2,198,403		201,597	201,597	76,111	09/01/2023	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....					16,072,856	14,272,526	15,470,631	15,115,878	0	(61,179)	0	(61,179)	0	15,054,700	0	1,018,156	1,018,156	365,776	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
00253C HW 0	AAMES MTG TR 02 2 A2.....		06/01/2012	PAYDOWN.....		25	25	25	25				0		25			0		04/01/2014	1FM.....
02581F XZ 7	AMERICAN EXPR CENTURION.....		06/12/2012	MATURITY.....		250,000	250,000	246,115	249,130		870		870		250,000			0	519	06/12/2012	1FE.....
02582J FC 9	AMERICAN EXPRESS CREDIT ACCOUN 08-4 A.....		06/08/2012	DEUTSCHE BANK.....		1,025,039	1,000,000	1,032,422	1,027,318		(6,710)		(6,710)		1,020,607		4,432	4,432	8,325	04/15/2014	1FE.....
03063N AA 5	AMERICOLD LLC TRUST 10-ARTA A1.....		06/11/2012	PAYDOWN.....		20,598	20,598	20,598	20,598				0		20,598			0	330	01/11/2021	1FM.....
06423R AV 8	BANK ONE ISSUANCE TRUST 03-A4 A4.....		06/27/2012	VARIOUS.....		3,006,465	3,000,000	3,006,563	3,005,000		(2,110)		(2,110)		3,002,890		3,575	3,575	7,748	05/15/2013	1FE.....
126380 AB 0	CREDIT SUISSE MTG CAP 06 9 2A1.....		06/01/2012	PAYDOWN.....		16,471	16,471	14,478	14,478				0		14,478		1,993	1,993	395	05/01/2029	1FM.....
126694 PF 9	COUNTRYWIDE HOME LOANS 05 28 A1.....		06/01/2012	PAYDOWN.....		24,991	24,991	24,964	23,013	1,970	9		1,979		24,991			0	560	04/01/2013	3FM.....
12669F J8 7	COUNTRYWIDE HOME LOANS 04 13 2A1.....		04/01/2012	PAYDOWN.....		4,141	4,141	4,138	4,129		12		12		4,141			0	69	05/01/2012	1FM.....
12669G V3 2	COUNTRYWIDE HOME LOANS 05 J2 3A4.....		06/01/2012	PAYDOWN.....		43,203	43,203	42,990	43,155		48		48		43,203			0	834	07/01/2013	1FM.....
126802 BN 6	CABELAS MASTER CREDIT CARD TR 10-2A A2.....		06/26/2012	RBS SECURITIES INC. CITIGROUP GLOBAL MARKETS.....		3,030,000	3,000,000	3,026,719	3,020,888		(3,715)		(3,715)		3,017,173		12,827	12,827	15,681	09/15/2015	1FE.....
126802 BS 5	CABELAS MASTER CREDIT CARD TR 11-2A A2.....		06/26/2012	MARKETS.....		1,760,938	1,750,000	1,750,000	1,750,000				0		1,750,000		10,938	10,938	8,190	06/15/2016	1FE.....
14041N CS 8	CAPITAL ONE MULTI-ASSET EXECUT 06-A5 A5.....		05/08/2012	NOMURA SECURITIES INTL.....		2,500,000	2,500,000	2,492,969	2,494,726		2,016		2,016		2,496,742		3,258	3,258	3,251	03/15/2013	1FE.....
14041N DY 4	CAPITAL ONE MULTI-ASSET EXECUT 07-A8 A8.....		05/10/2012	DEUTSCHE BANK.....		2,253,604	2,250,000	2,253,691	2,253,102		(1,060)		(1,060)		2,252,042		1,562	1,562	7,714	12/15/2012	1FE.....
161571 DD 3	CHASE ISSUANCE TRUST 08-A13 A13.....		05/21/2012	MORGAN STANLEY & CO.....		2,549,609	2,500,000	2,568,555	2,559,365		(13,344)		(13,344)		2,546,021		3,589	3,589	3,589	09/15/2012	2FE.....
22541Q 4C 3	CSFB MTG SECS CORP 03 29 6A1.....		06/01/2012	PAYDOWN.....		27,066	27,066	26,964	27,063		3		3		27,066			0	562	10/01/2018	1FM.....
23305X AS 0	DBUBS MORTGAGE TRUST 11-LC2A A1FL.....		06/10/2012	PAYDOWN.....		25,165	25,165	25,165	25,165				0		25,165			0	160	01/10/2021	1FM.....
30224X AA 2	EXTENDED STAY AMERICA TRUST 10-ESHA A.....		06/01/2012	PAYDOWN.....		4,884	4,884	4,884	4,884				0		4,884			0	60	11/01/2015	1FM.....
313309 AJ 5	FEDERAL EXPRESS CORPORATION.....		06/15/2012	MATURITY.....		250,000	250,000	295,853	254,454		(4,454)		(4,454)		250,000			0	12,063	06/15/2012	2FE.....
337367 AB 2	A2.....		05/10/2012	PRIOR PERIOD INCOME.....									0					0	606	07/01/2008	1FE.....
36185H DH 3	GMAC MTG CORP LN TR 01 HLT2 All.....		06/01/2012	PAYDOWN.....		180	180	180	180				0		180			0	4	10/01/2013	1FM.....
36249K AA 8	A1.....		06/01/2012	PAYDOWN.....		25,132	25,132	25,886	25,183		(51)		(51)		25,132			0	386	05/01/2020	1FM.....
456606 HL 9	INDYMAC LOAN TR 05 L2 A2.....		06/25/2012	PAYDOWN.....		5,547	5,547	570	570				0		570		4,976	4,976	2	09/25/2038	6*.....

QE05 1

### SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Date	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
46623E HJ 1	JPMORGAN CHASE & CO.....	06/25/2012		MATURITY.....		250,000	250,000	248,830	249,752				248		250,000			0	.810	06/25/2012	1FE.....
46625M TW 9	JP MORGAN CHASE COMM MTG SECS 03 C1 A1	05/01/2012		PAYDOWN.....		8,034	8,034	8,074	8,034						8,034			0	.118	05/01/2012	1FM.....
55264T DX 6	MBNA CREDIT CARD MASTER NOTE T 06-A5 A5	06/08/2012		MARKETS.....		3,001,289	3,000,000	2,998,008	2,998,453				566		2,999,019		2,270	2,270	4,773	05/15/2013	1FE.....
57165L AA 2	MARRIOTT VACATION CLUB OWNER T 10-1A A..	06/20/2012		PAYDOWN.....		50,552	50,552	50,547	50,467				85		50,552			0	.752	06/20/2012	1FE.....
59549P AA 6	MID-STATE TR 4 A.....	04/01/2012		PAYDOWN.....		752	752	795	739	15	(2)			752			0	.31	01/01/2015	2AM.....	
76110V LB 2	RESIDENTIAL FDG MTG SECS II 02 HI4 M1.....	06/01/2012		PAYDOWN.....		796	796	794	796					796			0	.19	10/01/2015	1FM.....	
82651A AA 5	SIERRA RECEIVABLES FUNDING CO 2007 2A.....	06/20/2012		PAYDOWN.....		66,851	66,851	66,745	66,745					66,745		106	106	1,486	04/20/2017	2AM.....	
86358R XZ 5	STRUCTURED ASSET SECS CORP 02 AL1 A3.....	06/01/2012		PAYDOWN.....		927	927	815	815					815		112	112	.13	08/01/2031	1FM.....	
86358R YC 5	STRUCTURED ASSET SECS CORP 02 AL1 B1.....	06/01/2012		PAYDOWN.....		3,658	3,658	3,220	3,220					3,220		438	438	.53	01/01/2032	1FM.....	
86359A ME 0	STRUCTURED ASSET SECS CORP 03 AL1 A.....	06/01/2012		PAYDOWN.....		4,497	4,497	4,326	4,326					4,326		171	171	.63	11/01/2025	1FM.....	
92903P AA 7	VNO 2010-VNO A1.....	06/10/2012		PAYDOWN.....		32,561	32,561	32,538	32,538				23		32,561			0	.403	09/10/2020	1FM.....
822582 AP 7	SHELL INTERNATIONAL FIN.....	06/22/2012		MATURITY.....		250,000	250,000	251,113	250,306				(306)		250,000			0	1,108	06/22/2012	1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....					20,492,975	20,366,031	20,529,557	20,468,617	1,985	(27,872)	0	(25,887)	0	20,442,728	0	50,247	50,247	99,339	XXX	XXX
8399997.	Total - Bonds - Part 4.....					50,047,200	47,048,391	48,681,947	48,238,190	3,782	(116,086)	0	(112,304)	0	48,125,884	0	1,921,317	1,921,317	759,180	XXX	XXX
8399999.	Total - Bonds.....					50,047,200	47,048,391	48,681,947	48,238,190	3,782	(116,086)	0	(112,304)	0	48,125,884	0	1,921,317	1,921,317	759,180	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>																					
20825C 10 4	CONOCOPHILLIPS.....	05/01/2012		RETURN OF CAPITAL.....		239,553	XXX	239,553	239,553				0		239,553			0	XXX	L	
9099999.	Total - Common Stocks - Industrial & Miscellaneous.....					239,553	XXX	239,553	239,553	0	0	0	0	0	239,553	0	0	0	0	XXX	XXX
9799997	Total - Common Stocks - Part 4.....					239,553	XXX	239,553	239,553	0	0	0	0	0	239,553	0	0	0	0	XXX	XXX
9799999.	Total - Common Stocks.....					239,553	XXX	239,553	239,553	0	0	0	0	0	239,553	0	0	0	0	XXX	XXX
9899999.	Total - Preferred and Common Stocks.....					239,553	XXX	239,553	239,553	0	0	0	0	0	239,553	0	0	0	0	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks.....					50,286,753	XXX	48,921,500	48,477,743	3,782	(116,086)	0	(112,304)	0	48,365,437	0	1,921,317	1,921,317	759,180	XXX	XXX

QE05.2

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

**Sch. DB-Pt A-Sn 1  
NONE**

**Sch. DB-Pt B-Sn 1  
NONE**

**Sch. DB-Pt B-Sn 1B-Broker List  
NONE**

**Sch. DB-Pt D  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
PNC PRIME MONEY MARKET FUND.....			2		18,782	18,782	23,783	XXX..
FFI INST FUND.....			253		1,206,898	490,847	1,270,944	XXX..
PREFERRED DEPOSIT (BUS).....			125		250,205	250,247	250,247	XXX..
JP MORGAN CHASE.....			899		9,957,200	3,624,200	8,519,272	XXX..
US BANK.....					220,564	116,079	123,439	XXX..
FEDERAL HOME LOAN BANK.....					44,278	44,278	51,564	XXX..
PITNEY BOWES.....					257,390	188,601	221,635	XXX..
INTEREST RECEIVED DURING QTR ON DISPOSED HOLDINGS.....			586					XXX..
0199999. Total Open Depositories.....	...XXX..	...XXX..	1,865	0	11,955,317	4,733,034	10,460,884	XXX..
0399999. Total Cash on Deposit.....	...XXX..	...XXX..	1,865	0	11,955,317	4,733,034	10,460,884	XXX..
0599999. Total Cash.....	...XXX..	...XXX..	1,865	0	11,955,317	4,733,034	10,460,884	XXX..

## 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
<b>U.S. Government Bonds - Issuer Obligations</b>							
FEDERAL HOME LOAN BANK.....		06/28/2012	0.065	07/27/2012	4,999,765		18
0199999. U.S. Government Bonds - Issuer Obligations.....					4,999,765	.0	18
0599999. Total - U.S. Government Bonds.....					4,999,765	.0	18
<b>Total Bonds</b>							
7799999. Subtotals - Issuer Obligations.....					4,999,765	.0	18
8399999. Subtotals - Bonds.....					4,999,765	.0	18
8699999. Total - Cash Equivalents.....					4,999,765	.0	18



## DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For the Period Ended June 30, 2012

NAIC Group Code.....0

NAIC Company Code.....25405

Company Name: Safe Auto Insurance Company

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies
 

1 Direct Written Premiums	2 Direct Earned Premiums	3 Direct Losses Incurred
.....	.....	.....
  
2. Commercial Multiple Peril (CMP) Packaged Policies
  - 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? ..... Yes [ ] No [ X ]
  - 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? ..... Yes [ ] No [ X ]
  - 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies:
    - 2.31 Amount quantified: ..... \_\_\_\_\_
    - 2.32 Amount estimated using reasonable assumptions: ..... \_\_\_\_\_
  - 2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverages provided in CMP packaged policies: ..... \_\_\_\_\_