



QUARTERLY STATEMENT

AS OF JUNE 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code 0207 (Current Period), 00207 (Prior Period) NAIC Company Code 26123 Employer's ID Number 34-0359380

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States

Incorporated/Organized 01/01/1906 Commenced Business 03/01/1906

Statutory Home Office 1685 Cleveland Road, Wooster, OH 44691-0036
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1685 Cleveland Road, Wooster, OH 44691-0036 330-262-9060
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1685 Cleveland Road, Wooster, OH 44691-0036
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1685 Cleveland Road, Wooster, OH 44691-0036 330-262-9060
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.wrg-ins.com

Statutory Statement Contact Joseph Earl Wilford 330-262-9060-2437
(Name) (Area Code) (Telephone Number) (Extension)

joe_wilford@wrg-ins.com 330-264-7822
(E-mail Address) (Fax Number)

OFFICERS

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

OTHER OFFICERS

<u>GREGORY A. BRUNN</u>	<u>VP UNDERWRITING AND MARKETING</u>	<u>KEVIN W. DAY</u>	<u>EXECUTIVE VP</u>
<u>GARY W. GWINN #</u>	<u>VP CLAIMS</u>	<u>GREGORY J. OWEN</u>	<u>VP INFORMATION TECHNOLOGY</u>

DIRECTORS OR TRUSTEES

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

State of OHIO

County of WAYNE ss

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

President

Secretary

Vice President of Finance/CFO/Treasurer

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

a. Is this an original filing? Yes [X] No []

- b. If no:
1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

MARY LOU HART, NOTARY PUBLIC
MARCH 08, 2015

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	105,786,299		105,786,299	103,795,225
2. Stocks:				
2.1 Preferred stocks	1,804,491		1,804,491	1,832,281
2.2 Common stocks	62,751,107	278,167	62,472,940	58,503,282
3. Mortgage loans on real estate:				
3.1 First liens	0		0	0
3.2 Other than first liens	0		0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	5,890,682		5,890,682	6,002,167
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$14,836,775), cash equivalents (\$0) and short-term investments (\$1,521,168)	16,357,943		16,357,943	19,374,805
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	5,091,156		5,091,156	5,056,795
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	197,681,678	278,167	197,403,511	194,564,555
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	1,155,900		1,155,900	1,144,542
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,921,142	38,978	15,882,164	15,876,790
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	0		0	0
15.3 Accrued retrospective premiums	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	683,838	74,212	609,626	963,933
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0		0	0
18.2 Net deferred tax asset	1,357,345		1,357,345	1,315,066
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software	92,704		92,704	92,704
21. Furniture and equipment, including health care delivery assets (\$)	739,813	739,813	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	0
24. Health care (\$) and other amounts receivable	0		0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	217,632,420	1,131,170	216,501,250	213,957,590
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	217,632,420	1,131,170	216,501,250	213,957,590
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)	29,552,805	27,902,250
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	5,450,500	5,450,500
4. Commissions payable, contingent commissions and other similar charges	2,195,689	2,280,758
5. Other expenses (excluding taxes, licenses and fees)	1,811,295	2,386,607
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	663,842	1,148,506
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	102	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	43,711,592	41,819,323
10. Advance premium	739,593	476,312
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(418,523)	301,337
13. Funds held by company under reinsurance treaties	0	28,164
14. Amounts withheld or retained by company for account of others	6,151,218	6,166,601
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	293,040	293,040
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	90,151,153	88,253,398
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	90,151,153	88,253,398
29. Aggregate write-ins for special surplus funds	674,765	632,486
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	125,674,332	125,071,706
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	126,349,097	125,704,192
38. Totals (Page 2, Line 28, Col. 3)	216,500,250	213,957,590
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901. Surplus from SSAP No. 10R	674,765	632,486
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	674,765	632,486
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 41,597,757)	39,827,493	37,425,558	76,134,456
1.2 Assumed (written \$ 45,658,360)	43,804,793	39,224,616	81,612,976
1.3 Ceded (written \$ 39,284,311)	37,552,750	34,459,385	71,012,833
1.4 Net (written \$ 47,971,806)	46,079,536	42,190,789	86,734,599
DEDUCTIONS:			
2. Losses incurred (current accident year \$):)			
2.1 Direct	27,277,937	31,251,272	59,730,519
2.2 Assumed	28,519,652	24,672,722	41,659,500
2.3 Ceded	24,461,536	27,872,403	44,776,477
2.4 Net	31,336,053	28,051,591	56,613,542
3. Loss adjustment expenses incurred	4,277,283	4,072,620	8,105,761
4. Other underwriting expenses incurred	15,404,949	15,836,184	30,458,859
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	51,018,285	47,960,395	95,178,162
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(4,938,749)	(5,769,606)	(8,443,563)
INVESTMENT INCOME			
9. Net investment income earned	2,347,878	2,369,760	4,807,848
10. Net realized capital gains (losses) less capital gains tax of \$ 97,921	190,083	368,394	1,452,134
11. Net investment gain (loss) (Lines 9 + 10)	2,537,961	2,738,154	6,259,982
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 44,936)	(44,936)	(33,417)	(77,412)
13. Finance and service charges not included in premiums	789,993	700,692	1,495,243
14. Aggregate write-ins for miscellaneous income	(18,737)	(17,323)	(6,730)
15. Total other income (Lines 12 through 14)	726,320	649,952	1,411,101
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(1,674,467)	(2,381,500)	(772,480)
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(1,674,467)	(2,381,500)	(772,480)
19. Federal and foreign income taxes incurred	(97,921)	(189,778)	(791,670)
20. Net income (Line 18 minus Line 19)(to Line 22)	(1,576,546)	(2,191,722)	19,190
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	125,704,192	126,295,656	126,295,656
22. Net income (from Line 20)	(1,576,546)	(2,191,722)	19,190
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 744,076	1,444,383	1,516,175	(1,567,400)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	744,077	1,601,730	421,482
27. Change in nonadmitted assets	(9,288)	(11,987)	(97,222)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	42,279	0	632,486
38. Change in surplus as regards policyholders (Lines 22 through 37)	644,905	914,196	(591,464)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	126,349,097	127,209,852	125,704,192
DETAILS OF WRITE-INS			
0501.	0		
0502.	0		
0503.	0		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. OTHER INCOME	(2,026)	(17,437)	17,249
1402. GAIN/(LOSS) SALE OF EQUIPMENT	(16,711)	114	(23,979)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(18,737)	(17,323)	(6,730)
3701. Change in surplus from SSAP No. 10R	42,279	0	632,486
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	42,279	0	632,486

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	47,515,226	44,083,456	88,314,233
2. Net investment income	2,392,133	2,330,503	5,159,564
3. Miscellaneous income	726,320	649,952	1,411,101
4. Total (Lines 1 to 3)	50,633,679	47,063,911	94,884,898
5. Benefit and loss related payments	29,313,022	30,147,211	53,747,438
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	20,713,388	22,178,397	40,573,075
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	(713,646)	(946,753)
10. Total (Lines 5 through 9)	50,026,410	51,611,962	93,373,760
11. Net cash from operations (Line 4 minus Line 10)	607,270	(4,548,051)	1,511,138
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	7,359,225	8,649,104	13,153,459
12.2 Stocks	8,405,800	6,914,869	17,511,141
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	1	0	1
12.8 Total investment proceeds (Lines 12.1 to 12.7)	15,765,026	15,563,973	30,664,601
13. Cost of investments acquired (long-term only):			
13.1 Bonds	9,034,530	7,021,320	13,165,910
13.2 Stocks	10,289,441	5,869,704	15,813,450
13.3 Mortgage loans	0	0	0
13.4 Real estate	14,158	0	10,746
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	19,338,129	12,891,024	28,990,106
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,573,103)	2,672,949	1,674,495
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	(51,029)	295,344	(790,954)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(51,029)	295,344	(790,954)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,016,862)	(1,579,758)	2,394,679
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	19,374,805	16,980,126	16,980,126
19.2 End of period (Line 18 plus Line 19.1)	16,357,943	15,400,368	19,374,805

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Ohio Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Ohio.

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

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors

No change.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

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

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change.

7. Investment Income

No change.

8. Derivative Instruments

No change.

9. Income Taxes

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

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

No change.

11. Debt

No change.

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

No change.

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

No change.

14. Contingencies

No change.

15. Leases

No change.

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

No change.

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

Not applicable.

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

A. Administrative Services Only ("ASO") Plans

Not applicable.

B. Administrative Services Contract ("ASC") Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not applicable.

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

Not applicable

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

Description	Period ended 06/30/2012	Quoted prices In active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Other unobservable inputs (Level 3)
a. Assets at fair value:				
Perpetual Preferred stock:				
Industrial and Misc	\$ 1,289,280	\$ 1,289,280	\$ -	\$ -
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Perpetual Preferred Stock	1,289,280	1,289,280	-	-
Bonds:				
U.S. Governments	25,571,449	25,571,449	-	-
Foreign Governments	1,481,455	1,481,455	-	-
Industrial and Misc	87,791,017	87,791,017	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Bonds	114,843,921	114,843,921	-	-
Common stock:				
Industrial and Misc	35,689,932	35,512,318	177,614	-
Mutual Funds	26,760,055	26,760,055	-	-
Money Market Funds	22,953	22,953	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Common Stocks	62,472,940	62,295,326	177,614	-
Other invested assets:				
Real estate	-	-	-	-
Other	5,091,157	-	-	5,091,157
Total Other Invested Assets	5,091,157	-	-	5,091,157
Total Assets at Fair Value:	<u>\$ 298,541,220</u>	<u>\$ 293,272,449</u>	<u>\$ -</u>	<u>\$ 5,091,157</u>

b. Liabilities at fair value:

Not applicable.

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

	<u>Balance 12/31/2011</u>	<u>Transfers In/(out) Level 3</u>	<u>Total Gain/(Loss) Included in Net Income</u>	<u>Total Gain/(Loss) Included in Surplus</u>	<u>Purchases, Issuances, Sales, & Settlements</u>	<u>Balance 06/30/2012</u>
Other Invested Assets	\$ 5,056,795	\$ -	\$ -	\$ 34,361	\$ -	\$ 5,091,157
Total	<u>\$ 5,056,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,361</u>	<u>\$ -</u>	<u>\$ 5,091,157</u>

(3) The Company's policy is to recognize transfers in and out as of the end of the reporting period. No transfers occurred.

(4) As of March 31, 2012, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy are as follows:

Other Invested assets – The Company's investment in two subsidiaries are measured and reported at fair value as of March 31, 2012 for each respective entity totaling \$5.2 million in aggregate. Fair value measurement is determined by the individual entity's surplus at the end of a period, or the amount by which assets exceed liabilities. Some inputs to the valuation methodology are unobservable and significant to the fair value measurement, and result in disclosure at Level 3.

20. Other Items

No change.

21. Events Subsequent

No change.

22. Reinsurance

No change.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2011 were \$34.5 million. In calendar year 2012, \$14.0 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$19.9 million. Therefore, there has been a \$.6 million favorable prior-year development from December 31, 2011 to June 30, 2012. The favorable development is generally the result of ongoing analysis of recent loss development trends, and from decreases in the estimates of loss and loss adjustment expenses for the following lines of business: commercial auto liability, auto physical damage, homeowners/farmowners, commercial multi-peril, other liability, workers compensation and special property. These decreases were offset, in part, by increases in private passenger auto liability. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the company does not write this type of policy.

26. Intercompany Pooling Agreements

No change.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No change.

31. High Deductibles

Not applicable.

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

No change.

33. Asbestos/Environmental Reserves

No change.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

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

1 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 NA
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/16/2007
- 6.4 By what department or departments?
Ohio.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No NA
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No NA
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.

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

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

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

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

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value		2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$	.....	\$	.....
14.22 Preferred Stock .....	\$	.....	\$	.....
14.23 Common Stock	\$	263,165	\$	278,167
14.24 Short-Term Investments .....	\$	.....	\$	.....
14.25 Mortgage Loans on Real Estate .....	\$	.....	\$	.....
14.26 All Other .....	\$	.....	\$	.....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	263,165	\$	278,167
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$	.....	\$	.....

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

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

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes No

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

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

16.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

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

Yes No

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

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

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

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

Yes No

17.2 If no, list exceptions:

.....

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. District of Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	L	0	0	0	0	0	
15. Indiana	IN	L	12,291,696	11,358,314	9,436,095	7,121,113	5,523,252	5,307,146
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	29,306,061	27,798,394	16,831,268	26,034,575	12,997,649	13,505,511
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 4		41,597,757	39,156,708	26,267,363	33,155,688	18,520,901	18,812,657
DETAILS OF WRITE-INS								
5801.	XXX							
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0

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

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

Schedule Y - Part 1

NONE

Schedule Y - Part 1A

NONE

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	3,799	0	0.0	0.0
2. Allied lines	4,134	0	0.0	0.0
3. Farmowners multiple peril	7,768,745	6,000,151	77.2	68.8
4. Homeowners multiple peril	13,270,168	11,684,941	88.1	129.2
5. Commercial multiple peril	3,979,931	1,898,190	47.7	107.8
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	360,769	229,931	63.7	9.8
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability -occurrence	0	0	0.0	0.0
11.2 Medical professional liability -claims made	0	0	0.0	0.0
12. Earthquake	10,166	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	0	0	0.0	0.0
17.1 Other liability occurrence	227,477	29,002	12.7	1.0
17.2 Other liability-claims made	6,139	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	17,750	198	1.1	120.1
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	6,074,333	3,763,679	62.0	53.2
19.3,19.4 Commercial auto liability	1,690,326	675,586	40.0	18.6
21. Auto physical damage	6,217,531	2,999,531	48.2	60.1
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	31,307	0	0.0	(105.1)
27. Boiler and machinery	164,918	(3,272)	(2.0)	28.8
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	39,827,493	27,277,937	68.5	83.5
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	1,635	2,416	2,314
2. Allied lines	1,413	3,141	3,132
3. Farmowners multiple peril	4,289,196	8,305,885	7,558,288
4. Homeowners multiple peril	8,139,450	13,980,515	12,079,305
5. Commercial multiple peril	2,041,643	4,104,942	3,750,778
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	202,014	410,730	377,619
10. Financial guaranty	0	0	0
11.1 Medical professional liability-occurrence	0	0	0
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	3,655	12,072	10,140
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability occurrence	130,915	256,765	234,712
17.2 Other liability-claims made	6,794	11,232	0
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	10,255	18,256	16,577
18.2 Products liability-claims made	0	0	0
19.1,19.2 Private passenger auto liability	2,734,819	6,047,659	6,532,642
19.3,19.4 Commercial auto liability	957,217	1,902,205	1,782,631
21. Auto physical damage	2,904,780	6,334,599	6,638,481
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	14,083	33,141	29,616
27. Boiler and machinery	90,417	174,199	140,473
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	21,528,286	41,597,757	39,156,708
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior	5,297	329	5,626	2,549	102	2,651	2,758	10	212	2,980	10	(5)	5
2. 2010	6,635	532	7,167	2,067	34	2,101	4,177	81	329	4,587	(391)	(88)	(479)
3. Subtotals 2010 + prior	11,932	861	12,793	4,616	136	4,752	6,935	91	541	7,567	(381)	(93)	(474)
4. 2011	16,165	4,395	20,560	7,177	1,882	9,059	8,888	717	1,778	11,383	(100)	(18)	(118)
5. Subtotals 2011 + prior	28,097	5,256	33,353	11,793	2,018	13,811	15,823	808	2,319	18,950	(481)	(111)	(592)
6. 2012	XXX	XXX	XXX	XXX	20,154	20,154	XXX	8,428	7,626	16,054	XXX	XXX	XXX
7. Totals	28,097	5,256	33,353	11,793	22,172	33,965	15,823	9,236	9,945	35,004	(481)	(111)	(592)
8. Prior Year-End Surplus As Regards Policy-holders	125,704										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (1.7)	2. (2.1)	3. (1.8)
													Col. 13, Line 7 Line 8
													4. (0.5)

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

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

Bar Code:

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

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	6,002,167	6,242,106
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		10,746
2.2 Additional investment made after acquisition	14,158	0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation	125,643	250,685
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	5,890,682	6,002,167
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	5,890,682	6,002,167

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,056,795	5,260,556
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	34,361	(203,761)
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	5,091,156	5,056,795
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	5,091,156	5,056,795

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	164,393,953	166,135,870
2. Cost of bonds and stocks acquired	19,323,972	28,979,360
3. Accrual of discount	55,762	107,949
4. Unrealized valuation increase (decrease)	2,154,097	(2,171,089)
5. Total gain (loss) on disposals	288,003	2,200,203
6. Deduct consideration for bonds and stocks disposed of	15,762,495	30,664,600
7. Deduct amortization of premium	111,395	193,741
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	170,341,896	164,393,953
11. Deduct total nonadmitted amounts	278,167	263,165
12. Statement value at end of current period (Line 10 minus Line 11)	170,063,729	164,130,788

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	104,378,408	9,391,803	11,341,488	38,097	104,378,408	102,466,820	.0	101,727,600
2. Class 2 (a).....	4,472,200			(1,554)	4,472,200	4,470,647	.0	4,791,849
3. Class 3 (a).....	370,000				370,000	370,000	.0	370,000
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	109,220,609	9,391,803	11,341,488	36,543	109,220,609	107,307,467	0	106,889,448
PREFERRED STOCK								
8. Class 1.....	966,960			(3,240)	966,960	963,720	.0	983,880
9. Class 2.....	843,598			(2,827)	843,598	840,771	.0	848,401
10. Class 3.....	.0				.0	.0	.0	.0
11. Class 4.....	.0				.0	.0	.0	.0
12. Class 5.....	.0				.0	.0	.0	.0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	1,810,558	0	0	(6,067)	1,810,558	1,804,491	0	1,832,281
15. Total Bonds & Preferred Stock	111,031,167	9,391,803	11,341,488	30,476	111,031,167	109,111,958	0	108,721,729

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

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	1,521,168	XXX	1,521,168	685	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,094,223	3,220,410
2. Cost of short-term investments acquired	10,995,549	23,664,930
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	12,568,604	23,791,117
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,521,168	3,094,223
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	1,521,168	3,094,223

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of cash equivalents acquired		0
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals		0
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

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)
Bonds - U.S. Special Revenue									
172254-FU-3	Cincinnati OH Econ Dev Revenue		05/24/2012	Fifth Third Securities, L		200,000	200,000		1FE
3137AP-BD-1	FHLMC CMO 4033 EB		05/10/2012	First Empire Securities L		696,532	698,278	543	1FE
569567-BU-3	Marion IN High Sch Bldg Corp Rev		05/16/2012	Fifth Third Securities, L		272,938	250,000		1FE
61212L-MF-3	University of Montana Revenue		05/25/2012	D A Davidson & Co		500,000	500,000		1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						1,669,470	1,648,278	543	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
141781-BB-9	Cargill Inc 144A		04/27/2012	Robert W. Baird & Co. Inc.		606,792	600,000	3,355	1FE
428236-AS-2	Hewlett Packard Company		06/01/2012	Robert W. Baird & Co. Inc.		451,192	400,000	5,806	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,057,984	1,000,000	9,161	XXX
8399997 - Subtotals- Bonds - Part 3						2,727,454	2,648,278	9,704	XXX
8399999 - Subtotals - Bonds						2,727,454	2,648,278	9,704	XXX
Common Stocks - Industrial and Miscellaneous									
025537-10-1	American Electric Power Co		05/07/2012	Merrill Lynch	4,280.000	165,015			L
037833-10-0	Apple Inc		05/11/2012	Merrill Lynch	193.000	109,902			L
46625H-10-0	JP Morgan Chase & Co		05/11/2012	Merrill Lynch	4,500.000	165,173			L
767204-10-0	Rio Tinto	R	05/24/2012	Merrill Lynch	1,230.000	55,015			L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						495,105	XXX	0	XXX
Common Stocks - Mutual Funds									
018642-74-4	AllianceBernstein High Inc Muni Fn		05/04/2012	Merrill Lynch	24,977.293	275,000			U
04315J-86-0	Artio Global High Income Fund	R	05/04/2012	Merrill Lynch	28,292.181	275,000			U
57060U-10-0	Market Vectors Tr Gold Miners ETF		05/07/2012	Merrill Lynch	3,770.000	165,124			L
72201M-73-5	PIMCO High Yield Fd CL P		04/27/2012	Merrill Lynch	29,506.438	275,000			U
780905-60-0	Royce Premier Fund		05/18/2012	Merrill Lynch	5,962.060	110,000			U
9299999 - Common Stocks - Mutual Funds						1,100,124	XXX	0	XXX
Common Stocks - Money Market Mutual Funds									
998911-UC-3	BBIF Money Fund Class 4		06/29/2012	Merrill Lynch	3,580,203.000	3,580,203			U
9399999 - Common Stocks - Money Market Mutual Funds						3,580,203	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						5,175,432	XXX	0	XXX
9799999 - Subtotals - Common Stocks						5,175,432	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						5,175,432	XXX	0	XXX
9999999 Totals						7,902,886	XXX	9,704	XXX

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

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
36217A-HM-5...	GNMA Pool #187536		06/15/2012	PRINCIPAL RECEIPT		215	215	213	214		.1		.1		215			.0	.8	02/15/2017	1FE
36295P-6H-0...	GNMA Pool #676872		06/15/2012	PRINCIPAL RECEIPT		86,091	86,091	86,844	86,738		(648)		(648)		86,091				1,611	03/15/2023	1FE
83162C-PP-2...	U S Small Business Admin - DCP		06/01/2012	PRINCIPAL RECEIPT		25,834	25,834	26,221	26,184		(350)		(350)		25,834			.0	601	06/01/2025	1FE
0599999 - Bonds - U.S. Governments						112,139	112,139	113,278	113,137	0	(997)	0	(997)	0	112,139	0	0	0	2,220	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
97705L-HZ-3...	Wisconsin St FSA Ser D		05/01/2012	MATURITY		800,000	800,000	819,208	801,112		(1,112)		(1,112)		800,000			.0	16,000	05/01/2012	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						800,000	800,000	819,208	801,112	0	(1,112)	0	(1,112)	0	800,000	0	0	0	16,000	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
31331X-VM-1...	Federal Farm Credit Bank		04/17/2012	CALLED @ 100.000000		500,000	500,000	498,100	498,836		57		57		498,893			1,107	1,107	04/17/2017	1FE
3136FR-EZ-2...	Federal Natl Mtg Assoc		04/20/2012	VARIOUS		500,000	500,000	499,500	499,844		156		156		500,000			.0	7,500	04/20/2012	1FE
3128M1-LA-5...	#G12221		06/15/2012	PRINCIPAL RECEIPT		17,104	17,104	17,104	17,104				.0		17,104			.0	392	06/01/2021	1FE
31335H-SP-4...	FHLMC (Gold) Pool #C90854		06/15/2012	PRINCIPAL RECEIPT		19,488	19,488	19,552	19,549		(62)		(62)		19,488			.0	430	09/01/2024	1FE
31294K-NV-3...	FHLMC (Gold) Pool #E01304		06/15/2012	PRINCIPAL RECEIPT		18,127	18,127	18,110	18,110		.17		.17		18,127			.0	345	01/01/2018	1FE
31294K-K5-3...	FHLMC (Gold) Pool #E01216		06/15/2012	PRINCIPAL RECEIPT		11,167	11,167	11,251	11,219		(52)		(52)		11,167			.0	256	10/01/2017	1FE
3128M1-BB-4...	FHLMC (Gold) Pool #G11934		06/15/2012	PRINCIPAL RECEIPT		10,591	10,591	10,585	10,578		.14		.14		10,591			.0	239	04/01/2016	1FE
3128M1-PA-1...	FHLMC (Gold) Pool #G12317		06/15/2012	PRINCIPAL RECEIPT		16,496	16,496	16,496	16,496				.0		16,496			.0	378	08/01/2021	1FE
3128MB-3A-3...	FHLMC (Gold) Pool #G13293		06/15/2012	PRINCIPAL RECEIPT		23,106	23,106	22,933	22,958		148		148		23,106			.0	472	12/01/2018	1FE
3137AP-BD-1...	FHLMC CMO 4033 EB		06/15/2012	PRINCIPAL RECEIPT		1,602	1,602	1,598	1,598		.4		.4		1,602			.0	3	10/15/2036	1FE
31371L-JU-4...	#255075		06/25/2012	PRINCIPAL RECEIPT		21,863	21,863	21,856	21,851		.12		.12		21,863			.0	503	02/01/2024	1FE
31402R-GM-5...	FNMA Pool #735604		06/25/2012	PRINCIPAL RECEIPT		29,503	29,503	29,595	29,567		(64)		(64)		29,503			.0	602	06/01/2020	1FE
3136A2-VK-6...	FNMA CMO TR-2011-126		06/25/2012	PRINCIPAL RECEIPT		9,891	9,891	9,891	9,891				.0		9,891			.0	98	06/25/2040	1FE
31381P-C9-7...	FNMA DUS Pool #466396		06/25/2012	PRINCIPAL RECEIPT		1,486	1,486	1,489	1,489		(3)		(3)		1,486			.0	22	11/01/2020	1FE
31371L-XW-4...	FNMA Gtd Mtg Pool #25549		06/25/2012	PRINCIPAL RECEIPT		22,916	22,916	22,787	22,795		121		121		22,916			.0	516	10/01/2024	1FE
31371L-7J-2...	FNMA Gtd Mtg Pool #255697		06/25/2012	PRINCIPAL RECEIPT		27,447	27,447	28,176	27,872		(425)		(425)		27,447			.0	511	04/01/2015	1FE
31402Y-NJ-9...	FNMA Gtd Mtg Pool #742093		06/25/2012	PRINCIPAL RECEIPT		21,445	21,445	20,869	20,963		482		482		21,445			.0	411	04/01/2019	1FE
31416X-HY-9...	FNMA Gtd Mtg Pool #AB2046		06/25/2012	PRINCIPAL RECEIPT		18,147	18,147	17,841	17,846		301		301		18,147			.0	223	01/01/2026	1FE
31371K-VB-4...	FNMA Pool #254510		06/25/2012	PRINCIPAL RECEIPT		12,052	12,052	12,211	12,150		(98)		(98)		12,052			.0	248	11/01/2017	1FE
31371K-2X-8...	FNMA Pool #254690		06/25/2012	PRINCIPAL RECEIPT		12,374	12,374	12,289	12,296		.78		.78		12,374			.0	284	04/01/2023	1FE
31371L-DT-3...	FNMA Pool #254914		06/25/2012	PRINCIPAL RECEIPT		13,677	13,677	13,780	13,680		(3)		(3)		13,677			.0	255	09/01/2013	1FE
31371L-SL-4...	FNMA Pool #255323		06/25/2012	PRINCIPAL RECEIPT		13,548	13,548	13,721	13,590		(42)		(42)		13,548			.0	255	07/01/2014	1FE
31385W-SB-6...	FNMA Pool #555014		06/25/2012	PRINCIPAL RECEIPT		17,137	17,137	17,298	17,223		(85)		(85)		17,137			.0	392	11/01/2017	1FE
31385X-GK-7...	FNMA Pool #555602		06/25/2012	PRINCIPAL RECEIPT		18,671	18,671	18,531	18,556		114		114		18,671			.0	389	06/01/2018	1FE
3136A1-6Y-6...	FNMA REMIC Ser 2011-MB CL AB		06/25/2012	PRINCIPAL RECEIPT		1,965	1,965	2,023	1,965		(58)		(58)		1,965			.0	14	08/25/2021	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						1,359,806	1,359,806	1,357,586	1,354,465	0	613	0	613	0	1,358,699	0	1,107	1,107	28,357	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
035229-CX-9...	Anheuser Busch Cos Inc Notes	R	04/15/2012	MATURITY		600,000	600,000	615,834	600,718		(718)		(718)		600,000			.0	14,100	04/15/2012	1FE
194160-DB-3...	Colgate Palmolive Co Tr #00074		04/25/2012	MATURITY		500,000	500,000	509,500	500,710		(710)		(710)		500,000			.0	14,950	04/25/2012	1FE
921937-82-7...	Vanguard S/T Bond ETF		04/04/2012	CAPITAL GAIN		487							0				487	487			1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,100,487	1,100,000	1,125,334	1,101,428	0	(1,428)	0	(1,428)	0	1,100,000	0	487	487	29,050	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						3,372,433	3,371,946	3,415,407	3,370,142	0	(2,925)	0	(2,925)	0	3,370,839	0	1,594	1,594	75,627	XXX	XXX
8399999 - Subtotals - Bonds						3,372,433	3,371,946	3,415,407	3,370,142	0	(2,925)	0	(2,925)	0	3,370,839	0	1,594	1,594	75,627	XXX	XXX
Common Stock - Mutual Funds																					
486606-10-6...	Kayne Anderson MLP MLP & Strategic Equity Fund Inc		04/02/2012	ROC		12,373	XXX	12,373	12,373				.0		12,373			.0	XXX		U
55312N-10-6...	Fund Inc		05/01/2012	ROC		11,165	XXX	11,165	11,165				.0		11,165			.0	XXX		U
9299999 - Common Stocks - Mutual Funds						23,539	XXX	23,539	23,539	0	0	0	0	0	23,539	0	0	0	0	XXX	XXX
Common Stocks - Money Market Mutual Funds																					
998911-UC-3...	BBIF Money Fund Class 4		06/29/2012	Merrill Lynch		3,569,731.000	3,569,731	3,569,731	3,569,731				.0		3,569,731			.0	XXX		U
9399999 - Common Stocks - Money Market Mutual Funds						3,569,731	XXX	3,569,731	3,569,731	0	0	0	0	0	3,569,731	0	0	0	0	XXX	XXX
9799997 - Subtotals - Common Stocks - Part 4						3,593,270	XXX	3,593,270	3,593,270	0	0	0	0	0	3,593,270	0	0	0	0	XXX	XXX
9799999 - Subtotals - Common Stocks						3,593,270	XXX	3,593,270	3,593,270	0	0	0	0	0	3,593,270	0	0	0	0	XXX	XXX
9899999 - Subtotals - Preferred and Common Stocks						3,593,270	XXX	3,593,270	3,593,270	0	0	0	0	0	3,593,270	0	0	0	0	XXX	XXX
9999999 Totals						6,965,702	XXX	7,008,676	3,393,681	0	(2,925)	0	(2,925)	0	6,964,108	0	1,594	1,594	75,627	XXX	XXX

E05

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF JUNE 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

E12