



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 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 (Street and Number)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)			
Main Administrative Office	1685 Cleveland Road (Street and Number)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Mail Address	1685 Cleveland Road (Street and Number or P.O. Box)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)			
Primary Location of Books and Records	1685 Cleveland Road (Street and Number)		Wooster, OH 44691-0036 (City or Town, State and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Joseph Earl Wilford (Name)		330-262-9060-2437 (Area Code) (Telephone Number) (Extension)			
	joe_wilford@wrg-ins.com (E-mail Address)		330-264-7822 (Fax Number)			

OFFICERS

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

OTHER OFFICERS

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

DIRECTORS OR TRUSTEES

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

State 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.

John P. Murphy
PresidentJohn P. Murphy
SecretaryMichael A. Shutt
VP Finance/CFO/Treasurer

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

b. If no:

1. State the amendment number
2. Date filed
3. Number of pages attached

Subscribed and sworn to before me this

15 day of November, 2012

Mary Lou Hart, Notary Public
March 08, 2015

STATEMENT AS OF SEPTEMBER 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 .....	.102,996,217		102,996,217	.103,795,225
2. Stocks:				
2.1 Preferred stocks	1,789,778		1,789,778	1,832,281
2.2 Common stocks	65,016,894	.283,553	.64,733,341	.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)	5,829,555		5,829,555	6,002,167
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 14,589,471), cash equivalents (\$ 0) and short-term investments (\$ 2,989,502)	17,578,973		17,578,973	19,374,805
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	5,151,508		5,151,508	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) .....	.198,362,925	.283,553	.198,079,372	.194,564,555
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	1,217,856		1,217,856	1,144,542
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,921,142	.38,222	.15,882,920	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
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	.2,570,167		.2,570,167	.963,933
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset .....	.1,801,797		.1,801,797	.1,315,066
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software .....	.92,704		.92,704	.92,704
21. Furniture and equipment, including health care delivery assets (\$)	726,302	.726,302	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)	220,692,893	1,048,077	219,644,816	213,957,590
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	220,692,893	1,048,077	219,644,816	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 SEPTEMBER 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 \$)	.30,153,833	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	2,500,786	2,280,758
5. Other expenses (excluding taxes, licenses and fees)	1,947,190	2,386,607
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	939,328	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).....	.46,107,927	41,819,323
10. Advance premium	.726,372	.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)	.156,206	301,337
13. Funds held by company under reinsurance treaties	.0	28,164
14. Amounts withheld or retained by company for account of others	.5,609,191	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	.82,137	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	.93,966,612	88,253,398
27. Protected cell liabilities	.0	0
28. Total liabilities (Lines 26 and 27)	.93,966,612	88,253,398
29. Aggregate write-ins for special surplus funds	.0	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)	125,678,204	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)	125,678,204	125,704,192
38. Totals (Page 2, Line 28, Col. 3)	219,644,816	213,957,590
DETAILS OF WRITE-INS		
2501. Option Liability	.48,863	
2502. Deferred Income Option	.33,274	
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	.0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	82,137	0
2901. Surplus from SSAP No. 10R	.0	632,486
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	.0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	632,486
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	.0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

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

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 \$ 63,810,990)	60,327,865	56,633,507	76,134,456
1.2 Assumed (written \$ 68,307,991)	64,049,806	60,574,823	81,612,976
1.3 Ceded (written \$ 59,100,961)	55,648,257	52,792,033	71,012,833
1.4 Net (written \$ 73,018,020)	68,729,414	64,416,297	86,734,599
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	56,333,588	45,871,404	59,730,519
2.2 Assumed	32,864,816	39,014,933	41,659,500
2.3 Ceded	40,202,725	44,043,638	44,776,477
2.4 Net	48,995,679	40,842,699	56,613,542
3. Loss adjustment expenses incurred	6,714,454	6,124,380	8,105,761
4. Other underwriting expenses incurred	23,376,765	23,346,940	30,458,859
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	79,086,898	70,314,019	95,178,162
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(10,357,484)	(5,897,722)	(8,443,563)
INVESTMENT INCOME			
9. Net investment income earned	3,459,301	3,823,487	4,807,848
10. Net realized capital gains (losses) less capital gains tax of \$ 213,761	414,948	630,884	1,452,134
11. Net investment gain (loss) (Lines 9 + 10)	3,874,249	4,454,371	6,259,982
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 66,263)	(66,263)	(53,412)	(77,412)
13. Finance and service charges not included in premiums	1,133,820	1,101,026	1,495,243
14. Aggregate write-ins for miscellaneous income	(16,645)	(14,652)	(6,730)
15. Total other income (Lines 12 through 14)	1,050,912	1,032,962	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)	(5,432,323)	(410,389)	(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)	(5,432,323)	(410,389)	(772,480)
19. Federal and foreign income taxes incurred	(213,761)	(368,602)	(791,670)
20. Net income (Line 18 minus Line 19)(to Line 22)	(5,218,562)	(41,787)	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)	(5,218,562)	(41,787)	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 \$ 1,616,899	3,138,629	(3,118,385)	(1,567,400)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	2,103,600	947,227	421,482
27. Change in nonadmitted assets	(405)	(76,841)	(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
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(48,863)	0	632,486
38. Change in surplus as regards policyholders (Lines 22 through 37)	(25,601)	(2,289,786)	(591,464)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	125,678,591	124,005,870	125,704,192
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. OTHER INCOME	(4,059)	(17,437)	17,249
1402. GAIN/(LOSS) SALE OF EQUIPMENT	(12,586)	2,785	(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)	(16,645)	(14,652)	(6,730)
3701. Change in surplus from SSAP No. 10R	0	0	632,486
3702. Option Liability Surplus	(48,863)	0	0
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)	(48,863)	0	632,486

STATEMENT AS OF SEPTEMBER 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.....	73,122,947	66,432,604	88,314,233
2. Net investment income.....	3,473,961	3,758,757	5,159,564
3. Miscellaneous income.....	1,050,912	1,032,962	1,411,101
4. Total (Lines 1 to 3).....	77,647,820	71,224,323	94,884,898
5. Benefit and loss related payments.....	48,257,949	42,179,026	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.....	30,522,702	31,421,467	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).....	(102)	(670,045)	(946,753)
10. Total (Lines 5 through 9).....	78,780,549	72,930,448	93,373,760
11. Net cash from operations (Line 4 minus Line 10).....	(1,132,729)	(1,706,125)	1,511,138
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	12,348,050	10,278,023	13,153,459
12.2 Stocks.....	17,154,014	11,516,186	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.....	190,725	0	1
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	29,692,789	21,794,209	30,664,601
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	11,277,684	8,094,500	13,165,910
13.2 Stocks.....	18,431,466	10,013,210	15,813,450
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	15,913	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).....	29,725,063	18,107,710	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).....	(32,274)	3,686,499	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).....	(630,829)	(1,020,088)	(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).....	(630,829)	(1,020,088)	(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).....	(1,795,832)	960,286	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).....	17,578,973	17,940,412	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

G. The Company previously cited SSAP 25 *Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties* as the basis for nonadmitting common stock of its subsidiaries. The Company now considers SSAP 97 *Investments in Subsidiary, Controlled, and Affiliated Entities* to be the governing guidance for nonadmission of its common stock of subsidiaries.

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 09/30/2012	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:				
Preferred stock:				
Industrial and Misc	\$ 1,789,778	\$ 1,789,778	\$ -	\$ -
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Perpetual Preferred Stock	1,789,778	1,789,778	-	-
Bonds:				
U.S. Governments	17,649,952	17,649,952	-	-
Foreign Governments	1,510,201	1,510,201	-	-
Industrial and Misc	93,847,670	93,847,670	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Bonds	113,007,823	113,007,823	-	-
Common stock:				
Industrial and Misc	37,439,556	37,261,941	177,614	-
Mutual Funds	27,293,786	27,293,786	-	-
Money Market Funds	-	-	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Common Stocks	64,733,342	64,555,727	177,614	-
Other invested assets:				

Real estate	-	-	-	-
Other	5,151,508	-	-	5,151,508
Total Other Invested Assets	5,151,508	-	-	5,151,508
Total Assets at Fair Value:	<u>\$ 184,682,451</u>	<u>\$ 179,353,328</u>	<u>\$ 177,614</u>	<u>\$ 5,151,508</u>

b. Liabilities at fair value:

Not applicable.

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

	Balance 12/31/2011	Transfers In/(out) Level 3	Total Gain/(Loss) Included in Net Income	Total Gain/(Loss) Included in Surplus	Purchases, Issuances, Sales, & Settlements	Balance 09/30/2012
Other Invested Assets	\$ 5,056,795	\$ -	\$ -	\$ 94,713	\$ -	\$ 5,151,508
Total	<u>\$ 5,056,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,713</u>	<u>\$ -</u>	<u>\$ 5,151,508</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 September 30, 2012, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy are as follows:

Other Invested assets – The Company's investment in one partnership is measured and reported at fair value as of September 30, 2012 totaling \$5.2 million. Fair value measurement is determined by the underlying assets that are primarily investments in private limited partnerships in which the fair value is determined by each partnership's audited GAAP financial statements and adjusted for the Company's proportional share of the entity's earnings. Some inputs to the valuation methodology are unobservable and significant to the fair value measurement, and result in disclosure at Level 3.

21. Other Items

No change.

22. Events Subsequent

No change.

23. 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, \$16.4 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 \$17.1 million. Therefore, there has been a \$1.0 million favorable prior-year development from December 31, 2011 to September 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.

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

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 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 [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. 12/31/2011

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 [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [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 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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**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 [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]
- 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 [X]
- 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 [X]
- 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 [X] 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	\$283,553
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	\$283,553
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 [X]
- 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.

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**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 [X] 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 [X]

- 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 [X] No []

- 17.2 If no, list exceptions:

.....

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

GENERAL INTERROGATORIES

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 [X] NA []

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?

- 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:

- ## 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 <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... | \$ | _____ |
| 6.3 Do you act as an administrator for health savings accounts?..... | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 6.4 If yes, please provide the balance of the funds administered as of the reporting date..... | \$ | _____ |

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

STATEMENT AS OF SEPTEMBER 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	18,557,596	17,275,564	14,557,306	12,771,511	6,433,046
16. Iowa	IA.	N.	0	0	0	0	0
17. Kansas	KS.	N.	0	0	0	0	0
18. Kentucky	KY.	N.	0	0	0	0	0
19. Louisiana	LA.	N.	0	0	0	0	0
20. Maine	ME.	N.	0	0	0	0	0
21. Maryland	MD.	N.	0	0	0	0	0
22. Massachusetts	MA.	N.	0	0	0	0	0
23. Michigan	MI.	N.	0	0	0	0	0
24. Minnesota	MN.	N.	0	0	0	0	0
25. Mississippi	MS.	N.	0	0	0	0	0
26. Missouri	MO.	N.	0	0	0	0	0
27. Montana	MT.	N.	0	0	0	0	0
28. Nebraska	NE.	N.	0	0	0	0	0
29. Nevada	NV.	N.	0	0	0	0	0
30. New Hampshire	NH.	N.	0	0	0	0	0
31. New Jersey	NJ.	N.	0	0	0	0	0
32. New Mexico	NM.	N.	0	0	0	0	0
33. New York	NY.	N.	0	0	0	0	0
34. North Carolina	NC.	N.	0	0	0	0	0
35. North Dakota	ND.	N.	0	0	0	0	0
36. Ohio	OH.	L	45,253,394	42,749,276	32,342,595	14,201,476	15,606,296
37. Oklahoma	OK.	N.	0	0	0	0	0
38. Oregon	OR.	N.	0	0	0	0	0
39. Pennsylvania	PA.	N.	0	0	0	0	0
40. Rhode Island	RI.	N.	0	0	0	0	0
41. South Carolina	SC.	N.	0	0	0	0	0
42. South Dakota	SD.	N.	0	0	0	0	0
43. Tennessee	TN.	L	0	0	0	0	0
44. Texas	TX.	N.	0	0	0	0	0
45. Utah	UT.	N.	0	0	0	0	0
46. Vermont	VT.	N.	0	0	0	0	0
47. Virginia	VA.	N.	0	0	0	0	0
48. Washington	WA.	N.	0	0	0	0	0
49. West Virginia	WV.	N.	0	0	0	0	0
50. Wisconsin	WI.	N.	0	0	0	0	0
51. Wyoming	WY.	N.	0	0	0	0	0
52. American Samoa	AS.	N.	0	0	0	0	0
53. Guam	GU.	N.	0	0	0	0	0
54. Puerto Rico	PR.	N.	0	0	0	0	0
55. U.S. Virgin Islands	VI.	N.	0	0	0	0	0
56. Northern Mariana Islands	MP.	N.	0	0	0	0	0
57. Canada	CN.	N.	0	0	0	0	0
58. Aggregate Other Alien	OT.	XXX	0	0	0	0	0
59. Totals	(a)	4	63,810,990	60,024,840	46,899,901	26,972,987	22,039,342
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
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	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

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

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	4,262	0	0.0	0.0
2. Allied lines	5,088	43,520	855.3	0.0
3. Farmowners multiple peril	11,773,423	13,194,556	112.1	69.1
4. Homeowners multiple peril	20,333,713	27,054,313	133.1	125.1
5. Commercial multiple peril	6,040,859	3,714,129	61.5	104.9
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	546,474	275,123	50.3	46.3
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	15,485	0	0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence	342,850	35,537	10.4	1.2
17.2 Other liability-claims made	12,369	0	0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence	28,145	(9,801)	(34.8)	101.9
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	9,049,985	5,692,253	62.9	48.3
19.3,19.4 Commercial auto liability	2,564,851	941,621	36.7	21.2
21. Auto physical damage	9,309,504	5,376,642	57.8	54.9
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft	48,243	15,695	32.5	(69.6)
27. Boiler and machinery	252,614	0	0.0	33.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			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
TOTALS	60,327,865	56,333,588	93.4	81.0
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 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	
1. Fire	1,851	4,267	6,638	
2. Allied lines	1,443	4,584	6,198	
3. Farmowners multiple peril	4,065,205	12,371,090	11,341,504	
4. Homeowners multiple peril	8,334,999	22,315,514	19,253,801	
5. Commercial multiple peril	2,055,807	6,160,749	5,640,957	
6. Mortgage guaranty	0		0	
8. Ocean marine	0		0	
9. Inland marine	179,212	589,942	544,449	
10. Financial guaranty	0		0	
11.1 Medical professional liability-occurrence	0		0	
11.2 Medical professional liability-claims made	0		0	
12. Earthquake	5,544	17,616	14,582	
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	97,994	354,759	340,173	
17.2 Other liability-claims made	11,230	22,462	0	
17.3 Excess Workers' Compensation	0		0	
18.1 Products liability-occurrence	10,308	28,564	28,887	
18.2 Products liability-claims made	0		0	
19.1,19.2 Private passenger auto liability	3,218,317	9,265,976	9,998,458	
19.3,19.4 Commercial auto liability	811,241	2,713,446	2,546,564	
21. Auto physical damage	3,314,759	9,649,358	10,036,794	
22. Aircraft (all perils)	0		0	
23. Fidelity	0		0	
24. Surety	0		0	
26. Burglary and theft	16,774	49,915	44,427	
27. Boiler and machinery	88,549	262,748	221,408	
28. Credit	0		0	
29. International	0		0	
30. Warranty	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	
TOTALS	22,213,233	63,810,990	60,024,840	
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0	0

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2012 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened and Open as of Prior Year End	8 Q.S. Date IBNR Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior	5,297	.329	5,626	2,833	.111	2,944	2,451	.23	.153	2,627	(13)	(42)	(55)
2. 2010	6,635	.532	7,167	2,851	.61	2,912	3,307	.61	.339	3,707	(477)	(71)	(548)
3. Subtotals 2010 + prior	11,932	.861	12,793	5,684	.172	5,856	5,758	.84	.492	6,334	(490)	(113)	(603)
4. 2011	16,165	4,395	20,560	8,190	2,353	10,543	7,634	.519	.1,512	9,665	(341)	(11)	(352)
5. Subtotals 2011 + prior	28,097	5,256	33,353	13,874	2,525	16,399	13,392	.603	.2,004	15,999	(831)	(124)	(955)
6. 2012	XXX	XXX	XXX	XXX	.37,059	.37,059	XXX	.11,442	.8,164	19,606	XXX	XXX	XXX
7. Totals	28,097	5,256	33,353	13,874	39,584	53,458	13,392	12,045	10,168	35,605	(831)	(124)	(955)
Prior Year-End Surplus As Regards Policy-holders											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
8. 125,704											1. (3.0)	2. (2.4)	3. (2.9)
											Col. 13, Line 7 Line 8		
											4. (0.8)		

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

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.

Response

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.

Bar Code:

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

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

3.  2 6 1 2 3 2 0 1 2 3 6 5 0 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE LIGHTNING ROD MUTUAL 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	.6,002,167	.6,242,106
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	15,913	10,746
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation	188,525	250,685
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	.5,829,555	.6,002,167
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	5,829,555	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

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)	94,713	(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)	.5,151,508	.5,056,795
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	5,151,508	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	29,709,150	28,979,360
3. Accrual of discount	83,202	107,949
4. Unrealized valuation increase (decrease)	.4,660,785	(2,171,089)
5. Total gain (loss) on disposals	.626,509	2,200,203
6. Deduct consideration for bonds and stocks disposed of	29,499,534	30,664,600
7. Deduct amortization of premium	171,176	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)	.169,802,889	.164,393,953
11. Deduct total nonadmitted amounts	283,553	263,165
12. Statement value at end of current period (Line 10 minus Line 11)	169,519,336	164,130,788

STATEMENT AS OF SEPTEMBER 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).....	102,466,820	9,024,121	9,795,180	(49,149)	104,378,408	102,466,820	101,646,612	101,727,600
2. Class 2 (a).....	4,470,647		499,298	(2,241)	4,472,200	4,470,647	3,969,108	4,791,849
3. Class 3 (a).....	370,000				370,000	370,000	370,000	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.....	107,307,467	9,024,121	10,294,478	(51,390)	109,220,609	107,307,467	105,985,720	106,889,448
PREFERRED STOCK								
8. Class 1.....	963,720			(5,760)	966,960	963,720	957,960	983,880
9. Class 2.....	840,771			(8,953)	843,598	840,771	831,818	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.....	1,804,491	0	0	(14,713)	1,810,558	1,804,491	1,789,778	1,832,281
15. Total Bonds & Preferred Stock.....	109,111,958	9,024,121	10,294,478	(66,103)	111,031,167	109,111,958	107,775,498	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 \$

S102

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	2,989,502	XXX	2,989,502	1,148	

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.....	3,094,223	3,220,410
2. Cost of short-term investments acquired	17,776,517	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	17,881,237	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).....	2,989,502	3,094,223
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	2,989,502	3,094,223

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1. Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	0
2. Cost Paid/(Consideration Received) on additions.....	33,275
3. Unrealized Valuation increase/(decrease)	15,588
4. Total gain (loss) on termination recognized.....	2,200
5. Considerations received/(paid) on terminations.....	(200)
6. Amortization	
7. Adjustment to the Book/Adjusted Carrying Value of hedged item	
8. Total foreign exchange change in Book/Adjusted Carrying Value.....	
9. Book/Adjusted Carrying Value at End of Current Period (Lines 1+2+3+4-5+6+7+8).....	51,263
10. Deduct nonadmitted assets.....	
11. Statement value at end of current period (Line 9 minus Line 10).....	51,263

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1. Book/Adjusted carrying value, December 31 of prior year	0
2. Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote)	0
3.1 Change in variation margin on open contracts.....	
3.2 Add:	
Change in adjustment to basis of hedged item	
3.21 Section 1, Column 17, current year to date minus.....	0
3.22 Section 1, Column 17, prior year.....	0
Change in amount recognized	
3.23 Section 1, Column 16, current year to date minus.....	0
3.24 Section 1, Column 16, prior year.....	0
3.3 Subtotal (Line 3.1 minus Line 3.2)	0
4.1 Variation margin on terminated contracts during the year	
4.2 Less:	
4.21 Amount used to adjust basis of hedged item.....	
4.22 Amount recognized.....	0
4.3 Subtotal (Line 4.1 minus Line 4.2)	0
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Recognized.....	
5.2 Used to adjust basis of hedged items.....	
6. Book/Adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2)	0
7. Deduct total nonadmitted amounts	
8. Statement value at end of current period (Line 6 minus Line 7)	0

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**SCHEDULE DB - VERIFICATION**

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

	Book/Adjusted Carrying Value Check
1. Part A, Section 1, Column 14.....	33,275
2. Part B, Section 1, Column 14.....	0
3. Total (Line 1 plus Line 2).....	33,275
4. Part D, Column 5.....	0
5. Part D, Column 6.....	0
6. Total (Line 3 minus Line 4 minus Line 5).....	33,275

	Fair Value Check
7. Part A, Section 1, Column 16.....	48,863
8. Part B, Section 1, Column 13.....	0
9. Total (Line 7 plus Line 8).....	48,863
10. Part D, Column 8.....	0
11. Part D, Column 9.....	0
12. Total (Line 9 minus Line 10 minus Line 11).....	48,863

	Potential Exposure Check
13. Part A, Section 1, Column 21.....	0
14. Part B, Section 1, Column 19.....	0
15. Part D, Column 11.....	0
16. Total (Line 13 plus Line 14 minus Line 15).....	0

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	0
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals	0	0
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	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	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

NONE

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

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						
Acquired by purchase								
Various.....	Wooster	Ohio	07/31/2012	Various.....	1,755	0	1,755	0
019999 - Acquired by purchase					1,755	0	1,755	0
0399999 Totals					1,755	0	1,755	0

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	Changes 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.								
0399999 Totals																				

NONE

E01

Schedule B - Part 2
NONE

Schedule B - Part 3
NONE

Schedule BA - Part 2
NONE

Schedule BA - Part 3
NONE

STATEMENT AS OF SEPTEMBER 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									
.035361-BC-7.....	Ankeny IA Cmnty Sch Dist.....		.09/26/2012.....	D A Davidson & Co.....		.300,000	.300,000		.1FE
.135521-AS-1.....	Canadian Cnty OK Edu Fac Rev.....		.07/18/2012.....	D A Davidson & Co.....		.650,874	.600,000		.1FE
.89952P-DS-1.....	Tulsa Cnty OK Broken Arrow Pub Sch.....		.09/24/2012.....	D A Davidson & Co.....		.446,860	.400,000	.1,156	.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						1,397,734	1,300,000	1,156	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
.38143A-XU-4.....	Goldman Sachs Bank - CD.....		.07/24/2012.....	First Empire Securities I.....		.245,000	.245,000		.1
.911312-AQ-9.....	United Parcel Service.....		.09/25/2012.....	Raymond James & Associate.....		.600,420	.600,000	.41	.1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						845,420	845,000	41	XXX
8399997 - Subtotals- Bonds - Part 3						2,243,154	2,145,000	1,196	XXX
8399999 - Subtotals - Bonds						2,243,154	2,145,000	1,196	XXX
Common Stocks - Industrial and Miscellaneous									
.037833-10-0.....	Apple Inc.....		.09/28/2012.....	Merrill Lynch.....	.347,000	.214,893			L
.46625H-10-0.....	JP Morgan Chase & Co.....		.07/09/2012.....	Merrill Lynch.....	4,875,000	.164,775			L
.580135-10-1.....	McDonalds Corporation.....		.07/12/2012.....	Merrill Lynch.....	1,825,000	.164,396			L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						544,063	XXX	0	XXX
Common Stocks - Mutual Funds									
.00162Q-86-6.....	Alerian MLP ETF.....		.09/28/2012.....	Merrill Lynch.....	.6,650,000	.109,991			L
.22544R-30-5.....	Credit Suisse Commodity Fnd Inst'l.....		.07/16/2012.....	Stock Exchange.....	126,883,009	.1,047,200			U
.277911-49-1.....	Eaton Vance Floating Rate Fnd CL I.....		.09/28/2012.....	Merrill Lynch.....	.36,283,683	.330,000			U
.67074U-10-3.....	Nuveen Energy MLP Total Rtn Fnd.....		.08/24/2012.....	Stock Exchange.....	.48,502,376	.414,424			L
.880208-85-5.....	Templeton Global Total Rtn Fund.....	R	.07/06/2012.....	Merrill Lynch.....	8,580,343	.110,000			U
9299999 - Common Stocks - Mutual Funds						2,011,615	XXX	0	XXX
Common Stocks - Money Market Mutual Funds									
.998911-JC-3.....	BBIF Money Fund Class 4.....		.09/28/2012.....	Merrill Lynch.....	5,586,347,000	5,586,347			U
9399999 - Common Stocks - Money Market Mutual Funds						5,586,347	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						8,142,025	XXX	0	XXX
9799999 - Subtotals - Common Stocks						8,142,025	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						8,142,025	XXX	0	XXX
9999999 Totals						10,385,179	XXX	1,196	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues4

STATEMENT AS OF SEPTEMBER 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 CUSIP Identifi- cation	2 Description	3 For- eign	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.											
Bonds - U.S. Governments																									
36217A-HM-5...	GNMA Pool #187536...		09/15/2012...	PRINCIPAL RECEIPT...			.220	.220	.218	.220		.1				.220				0	.13	02/15/2017...	1FE		
36295P-6H-0...	GNMA Pool #676872...		09/15/2012...	PRINCIPAL RECEIPT...			.44,367	.44,367	.44,755	.44,701		(334)				.44,367				0	.1,330	03/15/2023...	1FE		
912828-AJ-9...	U.S. Treasury Note...		08/15/2012...	MATURITY...			.500,000	.500,000	.507,422	.500,746		(746)				.500,000				0	.21,875	08/15/2012...	1		
0599999...	Bonds - U.S. Governments						544,587	544,587	552,396	545,666		0	(1,079)		0	(1,079)	0	544,587	0	0	0	23,219	XXX	XXX	
Bonds - U.S. States, Territories and Possessions																									
677520-GJ-1...	Ohio St GO Bds 2005A...						.500,000	.500,000	.500,000	.500,000			0			.500,000				0	.18,750	09/01/2012...	1FE		
1799999...	Bonds - U.S. States, Territories and Possessions						500,000	500,000	500,000	500,000		0	0	0	0	500,000	0	0	0	0	18,750	XXX	XXX		
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																									
306297-WL-2...	Fall River MA...		07/02/2012...	CALLED @ 100.500000...			.90,450	.90,000	.91,209	.90,192		(67)				.67				.324	.324	.2,637	04/01/2018...	1FE	
463777-JW-3...	Irving TX Dallas Cnty...		09/15/2012...	CALLED @ 100.000000...			.500,000	.500,000	.505,535	.500,000		(55)				.500,000				0	.25,000	09/15/2015...	1FE		
473502-HV-7...	Jefferson Cnty TX FGIC...		08/01/2012...	CALLED @ 100.000000...			.500,000	.500,000	.496,740	.499,432		205				.499,636				.364	.364	.23,750	08/01/2013...	1FE	
567219-TU-4...	Gilbert...		07/01/2012...	CALLED @ 100.000000...			.500,000	.500,000	.503,280	.500,198		(198)				.500,000				0	.23,000	07/01/2014...	1FE		
2499999...	Bonds - U.S. Political Subdivisions of States, Territories and Possessions						1,590,450	1,590,000	1,596,764	1,589,822		0	(60)		0	(60)	0	1,589,762	0	688	688	74,387	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																									
3128M1-LA-5...	FHLMC (Gold) Pool #G1222...		09/15/2012...	PRINCIPAL RECEIPT...			.16,047	.16,047	.16,047	.16,047						.0						.595	06/01/2021...	1FE	
31335H-5P-4...	FHLMC (Gold) Pool #C90854...		09/15/2012...	PRINCIPAL RECEIPT...			.15,804	.15,804	.15,856	.15,854		(50)				.15,804							.580	09/01/2024...	1FE
31294K-NV-3...	FHLMC (Gold) Pool #E01304...		09/15/2012...	PRINCIPAL RECEIPT...			.14,351	.14,351	.14,337	.14,337		13				.14,351							.434	01/01/2018...	1FE
31294K-K5-3...	FHLMC (Gold) Pool #E01216...		09/15/2012...	PRINCIPAL RECEIPT...			.11,822	.11,822	.11,911	.11,877		(55)				.11,822							.431	10/01/2017...	1FE
3128M1-BB-4...	FHLMC (Gold) Pool #G11934...		09/15/2012...	PRINCIPAL RECEIPT...			.11,424	.11,424	.11,417	.11,409		15				.11,424							.416	04/01/2016...	1FE
3128M1-PA-1...	FHLMC (Gold) Pool #G12317...		09/15/2012...	PRINCIPAL RECEIPT...			.13,658	.13,658	.13,658	.13,658		0				.13,658							.499	08/01/2021...	1FE
3128M1-3A-3...	FHLMC (Gold) Pool #G13293...		09/15/2012...	PRINCIPAL RECEIPT...			.19,598	.19,598	.19,451	.19,472		125				.19,598							.653	12/01/2018...	1FE
3137AP-BD-1...	FHLMC CMO 4033 EB...		09/15/2012...	PRINCIPAL RECEIPT...			.8,253	.8,253	.8,232	.8,232		21				.8,253							.42	10/15/2036...	1FE
31371L-JU-4...	FNMA Gtd Mtg Pool #255075...		09/25/2012...	PRINCIPAL RECEIPT...			.19,492	.19,492	.19,486	.19,481		11				.19,492							.719	02/01/2024...	1FE
31402R-GM-5...	FNMA Pool #735604...		09/25/2012...	PRINCIPAL RECEIPT...			.21,429	.21,429	.21,496	.21,475		(47)				.21,429							.717	06/01/2020...	1FE
313642-VK-6...	FNMA CMO TR-2011-126...		09/25/2012...	PRINCIPAL RECEIPT...			.14,525	.14,525	.14,525	.14,525		0				.14,525							.238	06/25/2040...	1FE
31381P-C9-7...	FNMA DUS Pool #466396...		09/25/2012...	PRINCIPAL RECEIPT...			.1,505	.1,505	.1,508	.1,508		(3)				.1,505							.35	11/01/2020...	1FE
3137L-XW-4...	FNMA Gtd Mtg Pool #25549...		09/25/2012...	PRINCIPAL RECEIPT...			.21,193	.21,193	.21,074	.21,081		12				.21,193							.791	10/01/2024...	1FE
3137L-J7-2...	FNMA Gtd Mtg Pool #255697...		09/25/2012...	PRINCIPAL RECEIPT...			.27,781	.27,781	.28,519	.28,212		(430)				.27,781							.837	04/01/2015...	1FE
31402Y-NJ-9...	FNMA Gtd Mtg Pool #742093...		09/25/2012...	PRINCIPAL RECEIPT...			.17,277	.17,277	.16,812	.16,888		388				.17,277							.522	04/01/2019...	1FE
31416X-HY-9...	FNMA Gtd Mtg Pool #AB2046...		09/25/2012...	PRINCIPAL RECEIPT...			.26,248	.26,248	.25,805	.25,812		436				.26,248							.530	01/01/2026...	1FE
31371K-VB-4...	FNMA Pool #254510...		09/25/2012...	PRINCIPAL RECEIPT...			.11,050	.11,050	.11,195	.11,139		(89)				.11,050							.371	11/01/2017...	1FE
31371K-2X-8...	FNMA Pool #254690...		09/25/2012...	PRINCIPAL RECEIPT...			.11,150	.11,150	.11,073	.11,080		71				.11,150							.411	04/01/2023...	1FE
31371L-DT-3...	FNMA Pool #254914...		09/25/2012...	PRINCIPAL RECEIPT...			.12,090	.12,090	.12,080	.12,093		(3)				.12,090							.362	09/01/2013...	1FE
31371L-SL-4...	FNMA Pool #255323...		09/25/2012...	PRINCIPAL RECEIPT...			.13,046	.13,046	.13,214	.13,087		(41)				.13,046							.393	07/01/2014...	1FE
31385W-SB-6...	FNMA Pool #555014...		09/25/2012...	PRINCIPAL RECEIPT...			.20,420	.20,420	.20,612	.20,522		(102)				.20,420							.756	11/01/2017...	1FE
31385X-GK-7...	FNMA REMIC Ser 2011-MB CL...		09/25/2012...	PRINCIPAL RECEIPT...			.17,371	.17,371	.17,241	.17,265		106				.17,371							.574	06/01/2018...	1FE
313641-GY-6...	AB...		09/25/2012...	PRINCIPAL RECEIPT...			.7,664	.7,664	.7,889	.7,889		(225)				.7,664							.129	08/25/2021...	1FE
593791-CQ-7...	Miami Univ OH...		09/01/2012...	MATURITY...			.600,000	.600,000	.606,942	.600,684		(684)				.600,000							.20,250	09/01/2012...	1FE
67756B-QN-3...	Ohio St Higher EDL Fac Rev...		09/01/2012...	MATURITY...			.395,000	.395,000	.396,359	.395,152		(152)				.395,000							.15,800	09/01/2012...	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						1,348,198	1,348,198	1,356,839	1,332,659		0	(582)		0	(582)	0	1,348,198	0	0</					

STATEMENT AS OF SEPTEMBER 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 CUSIP Identifi- cation	2 Description	3 For- eign	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.							
25264S-83-3..	Diamond Hill Long Short Fd Cl 1		08/07/2012..	Merrill Lynch.....	15,458,123	275,000	XXX.....	214,404	261,706	(47,302)			(47,302)		214,404		60,596	60,596		XXX..	U..
27829L-10-5..	Eaton Vance Nat'l Muni oppsTr.....		07/20/2012..	Merrill Lynch.....	3,870,000	88,002	XXX.....	68,691	80,883	(12,192)			(12,192)		68,691		19,311	19,311	2,483	XXX..	L..
46428R-10-7..	iShares S&P GSCI Cmmdty Indx ETF.....		08/07/2012..	Merrill Lynch.....	9,009,000	301,258	XXX.....	262,524	297,117	(34,592)			(34,592)		262,524		38,733	38,733		XXX..	L..
486606-10-6..	Kayne Anderson MLP MLP & Strategic Equity Fund Inc.....		07/13/2012..	ROC.....	12,613	XXX.....	12,613	12,613	12,613			0	0		12,613		0			XXX..	L..
55312N-10-6..	Nuveen Energy MLP Total Rtn Fnd.....		08/24/2012..	VARIOUS.....	47,110,000	425,589	XXX.....	425,589	782,309	(356,720)			(356,720)		425,589		0			XXX..	L..
67074U-10-3..	Nuveen Insured Quality Muni Fd Inc.....		09/11/2012..	CASH IN LIEU - FRAC'L SHR.....	0,376	7	XXX.....	4					0		4		3	3		XXX..	L..
67062N-10-3..	Nuveen Investment Quality Muni Fd.....		07/20/2012..	Merrill Lynch.....	5,800,000	87,359	XXX.....	68,751	87,000	(18,249)			(18,249)		68,751		18,608	18,608	3,045	XXX..	L..
67062E-10-3..	PIMCO Total Return Fd Cl P.....		07/26/2012..	Merrill Lynch.....	5,220,000	87,444	XXX.....	68,808	81,484	(12,676)			(12,676)		68,808		18,636	18,636	3,069	XXX..	L..
72201M-55-2..	Common Stocks - Mutual Funds		08/06/2012..	Merrill Lynch.....	47,676,054	546,368	XXX.....	484,899	518,239	(33,340)			(33,340)		484,899		61,469	61,469	10,291	XXX..	U..
9299999 - Common Stocks - Mutual Funds					2,959,053	XXX	2,722,371	3,241,538	(519,171)	0	0	(519,171)	0	2,722,371	0	236,681	236,681	21,531	XXX	XXX	
998911-UC-3..	BBIF Money Fund Class 4.....		09/28/2012..	Merrill Lynch.....	5,609,300,000	5,609,300	XXX.....	5,609,300					0		5,609,300		0			XXX..	U..
9399999 - Common Stocks - Money Market Mutual Funds					5,609,300	XXX	5,609,300	0	0	0	0	0	0		5,609,300	0	0	0	0	XXX	XXX
9799997 - Subtotals - Common Stocks - Part 4					8,748,214	XXX	8,416,688	3,455,561	(648,176)	0	0	(648,176)	0	8,416,688	0	331,526	331,526	24,996	XXX	XXX	
9799999 - Subtotals - Common Stocks					8,748,214	XXX	8,416,688	3,455,561	(648,176)	0	0	(648,176)	0	8,416,688	0	331,526	331,526	24,996	XXX	XXX	
9899999 - Subtotals - Preferred and Common Stocks					8,748,214	XXX	8,416,688	3,455,561	(648,176)	0	0	(648,176)	0	8,416,688	0	331,526	331,526	24,996	XXX	XXX	
99999999 Totals					13,737,039	XXX	13,411,951	8,422,464	(648,176)	(1,179)	0	(649,356)	0	13,398,533	0	338,505	338,505	232,717	XXX	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 4.

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Description	Description of Items Hedged or Used For Income Generation	Schedule/ Exhibit Identifier	Type(s) of Risk(s)	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Prior Year Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B/A/C.V.	Current Year's (Amortization)/ Accretion	Adjustment to Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (a)	
Written Options - Income Generation - Call Options																							
Canadian Nat'l Railway (CNI 1220 J 95).....	Canadian Nat'l Railway (CNI).....	D2-2.....	Equity/Index.....	Mid-West.....	08/31/2012.....	10/20/2012.....	27.....	95.....		2,025.....	2,025.....		2,025.....		.270.....	(1,755).....							
Equity Residential (EOR 1220 K 62.50).....	Equity Residential (EOR).....	D2-2.....	Equity/Index.....	Mid-West.....	08/31/2012.....	10/20/2012.....	22.....	62.50.....		1,100.....	1,100.....		1,100.....		.110.....	(990).....							
Market Vectors Gld Tr (GDX 1220 J 48.50).....	Market Vectors Gold Trust ETF (GDX).....	D2-2.....	Equity/Index.....	Mid-West.....	08/23/2012.....	10/20/2012.....	33.....	48.50.....		6,204.....	6,204.....		6,204.....		.17,160.....	10,956.....							
Colgate Palmolive (CL 1217 K 110).....	Colgate Palmolive (CL).....	D2-2.....	Equity/Index.....	Mid-West.....	08/15/2012.....	11/17/2012.....	15.....	110.....		1,455.....	1,455.....		1,455.....		.1,125.....	(330).....							
Gen'l Dynamics Corp (GD 1217 K 65).....	Gen'l Dynamics Corp (GD).....	D2-2.....	Equity/Index.....	Amex.....	08/15/2012.....	11/17/2012.....	40.....	70.....		1,400.....	1,400.....		1,400.....		.1,400.....	0.....							
Genuine Parts Co (GPC 1217 K 65).....	Genuine Parts Co (GPC).....	D2-2.....	Equity/Index.....	Pacific.....	08/15/2012.....	11/17/2012.....	23.....	65.....		3,795.....	3,795.....		3,795.....		.1,208.....	(2,587).....							
JP Morgan Chase (JPM 1247 L 42).....	JP Morgan Chase (JPM).....	D2-2.....	Equity/Index.....	Philadelphia.....	08/31/2012.....	11/17/2012.....	45.....	42.....		1,199.....	1,199.....		1,199.....		.2,835.....	.1,636.....							
Schlumberger LTD (SLB 1217 K 80).....	Schlumberger LTD (SLB).....	D2-2.....	Equity/Index.....	Mid-West.....	08/15/2012.....	11/17/2012.....	25.....	80.....		3,700.....	3,700.....		3,700.....		.950.....	(2,750).....							
Market Vectors Gld Tr (GDX 1222 L 50).....	Market Vectors Gold Trust ETF (GDX).....	D2-2.....	Equity/Index.....	Mid-West.....	08/24/2012.....	12/22/2012.....	37.....	50.....		9,102.....	9,102.....		9,102.....		.21,090.....	11,988.....							
Wal-Mart Stores (WMT 1222 L 77.50).....	Wal-Mart Stores Inc (WMT).....	D2-2.....	Equity/Index.....	Mid-West.....	09/18/2012.....	12/22/2012.....	20.....	77.50.....		1,420.....	1,420.....		1,420.....		.940.....	(480).....							
Apple Inc (AAPL 1222 L 720).....	Apple Inc (AAPL).....	D2-2.....	Equity/Index.....	Philadelphia.....	09/28/2012.....	12/22/2012.....	1.....	720.....		1,875.....	1,875.....		1,875.....		.1,775.....	(100).....							
0649999 - Income Generation - Call Options and Warrants									0	33,275	33,275		33,275	XXX	48,863	15,588	0	0	0	0	0	XXX	XXX
0709999 - Subtotal - Income Generation									0	33,275	33,275		33,275	XXX	48,863	15,588	0	0	0	0	0	XXX	XXX
0789999 - Total Written Options - Subtotal - Call Options and Warrants									0	33,275	33,275		33,275	XXX	48,863	15,588	0	0	0	0	0	XXX	XXX
0849999 - Total Written Options - Subtotal									0	33,275	33,275		33,275	XXX	48,863	15,588	0	0	0	0	0	XXX	XXX
.....	
.....	
.....	
.....	
.....	
.....	
.....	
1269999 Subtotal - Forwards									0	0	0		0	XXX	0	0	0	0	0	0	0	XXX	XXX
1399999 Subtotal - Hedging Effective									0	0	0		0	XXX	0	0	0	0	0	0	0	XXX	XXX
1409999 Subtotal - Hedging Other									0	0	0		0	XXX	0	0	0	0	0	0	0	XXX	XXX
1419999 Subtotal - Replication									0	0	0		0	XXX	0	0	0	0	0	0	0	XXX	XXX
1429999 Subtotal - Income Generation									0	33,275	33,275		33,275	XXX	48,863	15,588	0	0	0	0	0	XXX	XXX
1439999 Subtotal - Other									0	0	0		0	XXX	0	0	0	0	0	0	0	XXX	XXX
1449999 Totals									0	33,275	33,275		33,275	XXX	48,863	15,588	0	0	0	0	0	XXX	XXX

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

SCHEDULE DB - PART A - SECTION 1

(a)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

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 SEPTEMBER 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

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	
Open Depositories								
Bank of America.....Chicago, IL.....		0.150	.343	.0	1,274,204	274,239	274,270	XXX
First Merit Bank.....Akron, OH.....		0.000			553	0	4,139	XXX
JP Morgan Chase.....New York, NY.....		0.000			14,915,641	18,465,641	15,570,435	XXX
Merrill Lynch.....Columbus, OH.....		0.000			(241,186)	9,492	1,259,373	XXX
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	343	0	15,949,212	18,749,372	14,589,471	XXX
0399999 Total Cash on Deposit	XXX	XXX	343	0	15,949,212	18,749,372	14,589,471	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	343	0	15,949,212	18,749,372	14,589,471	XXX

STATEMENT AS OF SEPTEMBER 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

NONE

E12



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2012 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2012

NAIC Group Code 0207

NAIC Company Code 26123

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

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 0	\$ 0	\$ 0

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

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

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: \$ 9,180

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 coverage provided in CMP packaged policies. \$ 0