

ANNUAL STATEMENT

OF THE

DEALERS ASSURANCE COMPANY

of **UPPER ARLINGTON**

in the state of **OHIO**

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2012

PROPERTY AND CASUALTY

2012



16705201220100100

ANNUAL STATEMENT

For the Year Ended December 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

Dealers Assurance Company

NAIC Group Code 0000 0000 **NAIC Company Code** 16705 **Employer's ID Number** 34-6513705
(Current Period) (Prior Period)

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

Incorporated/Organized August 2, 1935 **Commenced Business** August 2, 1935

Statutory Home Office 3518 Riverside Drive, Upper Arlington, OH, US 43221
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3518 Riverside Drive
(Street and Number)
Upper Arlington, OH, US 43221 800-282-8913
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 3518 Riverside Drive, Upper Arlington, OH, US 43221
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3518 Riverside Drive Upper Arlington, OH, US 43221 800-282-8913
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.dealersassurance.com

Statutory Statement Contact Daniel E George 800-282-8913-208
(Name) (Area Code) (Telephone Number) (Extension)
dgeorge@dealersassurance.com 614-459-2665
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>Kirk Alan Borchart</u>	<u>CEO/President</u>
2.	<u>Daniel Eric George</u>	<u>CFO/Secretary</u>
3.	<u>Sharon Mae Spohn</u>	<u>Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Edmond Melger Eckert</u>	<u>Vice President</u>		

DIRECTORS OR TRUSTEES

<u>James Bradford Smith</u>	<u>Edmond Melger Eckert</u>	<u>Sharon Mae Spohn</u>	<u>Kirk Alan Borchart</u>
<u>Daniel Eric George</u>			

State of Ohio
County of Franklin 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.

<u>(Signature)</u> <u>Kirk Alan Borchart</u>	<u>(Signature)</u> <u>Daniel Eric George</u>	<u>(Signature)</u> <u>Sharon Mae Spohn</u>
<u>(Printed Name)</u> <u>1.</u>	<u>(Printed Name)</u> <u>2.</u>	<u>(Printed Name)</u> <u>3.</u>
<u>CEO/President</u>	<u>CFO/Secretary</u>	<u>Treasurer</u>
<u>(Title)</u>	<u>(Title)</u>	<u>(Title)</u>

Subscribed and sworn to (or affirmed) before me on this
22nd day of February, 2013, by

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	56,585,130		56,585,130	57,592,110
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	4,019,168		4,019,168	3,430,747
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 4,026,042, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 5,667,115, Schedule DA)	9,693,157		9,693,157	10,591,583
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	70,297,455		70,297,455	71,614,440
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	545,576		545,576	540,953
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,204,472		2,204,472	2,941,331
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				177,553
18.2 Net deferred tax asset	400,178		400,178	607,353
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,140,147	1,140,147		
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	639,380	7,104	632,276	538,859
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	75,227,208	1,147,251	74,079,957	76,420,489
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	75,227,208	1,147,251	74,079,957	76,420,489

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Accounts Receivable	626,969		626,969	532,449
2502. Prepaid Expenses	7,104	7,104		
2503. Dividend Receivable	5,307		5,307	6,410
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	639,380	7,104	632,276	538,859

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	31,417	429,981
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,981	1,691
4. Commissions payable, contingent commissions and other similar charges	436,000	457,398
5. Other expenses (excluding taxes, licenses and fees)	512,578	507,642
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	523,572	669,391
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	771,917	
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 155,748,025 and including warranty reserves of \$ 13,365,534 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	14,273,531	13,674,209
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	457,160	1,205,678
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	5,146,496	4,433,303
14. Amounts withheld or retained by company for account of others	5,922,971	6,867,634
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 8)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities	49,676	4,017,882
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	28,127,299	32,264,809
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	28,127,299	32,264,809
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,200,990	4,200,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	3,000,000	3,000,000
34. Gross paid in and contributed surplus	9,232,810	9,232,810
35. Unassigned funds (surplus)	29,518,858	27,721,880
36. Less treasury stock, at cost:		
36.1 0 shares common (value included in Line 30 \$ 0)		
36.2 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	45,952,658	44,155,680
38. Totals (Page 2, Line 28, Col. 3)	74,079,957	76,420,489

DETAILS OF WRITE-IN LINES		
2501.		
2502.		
2503.	NONE	
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.		
2902.		
2903.	NONE	
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.	NONE	
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	11,023,512	9,179,007
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	518,340	860,740
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	407,261	378,132
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,996,146	3,455,525
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	4,921,747	4,694,397
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	6,101,765	4,484,610
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,236,556	1,218,831
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))	424,907	752,910
11. Net investment gain (loss) (Lines 9 + 10)	1,661,463	1,971,741
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	62,875	28,307
15. Total other income (Lines 12 through 14)	62,875	28,307
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	7,826,103	6,484,658
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	7,826,103	6,484,658
19. Federal and foreign income taxes incurred	2,602,434	2,024,233
20. Net income (Line 18 minus Line 19) (to Line 22)	5,223,669	4,460,425
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	44,155,680	39,586,091
22. Net income (from Line 20)	5,223,669	4,460,425
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	180,570	(288,241)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(207,175)	(235,259)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	99,915	358,664
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		274,000
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(3,500,000)	
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	1,796,979	4,569,589
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	45,952,659	44,155,680

DETAILS OF WRITE-IN LINES		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401. Misc. Income	52,692	11,104
1402. Roadside Commission	9,983	16,813
1403. Transfer Fee Income	200	390
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	62,875	28,307
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	11,611,175	9,212,305
2. Net investment income	1,817,781	1,393,936
3. Miscellaneous income	62,875	28,307
4. Total (Lines 1 through 3)	13,491,831	10,634,548
5. Benefit and loss related payments	916,906	445,536
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	4,502,123	3,660,869
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	1,652,964	2,395,433
10. Total (Lines 5 through 9)	7,071,993	6,501,838
11. Net cash from operations (Line 4 minus Line 10)	6,419,838	4,132,710
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	17,337,930	29,224,657
12.2 Stocks	4,040,170	2,911,844
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments	180,570	(288,241)
12.7 Miscellaneous proceeds		4,594,131
12.8 Total investment proceeds (Lines 12.1 to 12.7)	21,558,670	36,442,391
13. Cost of investments acquired (long-term only):		
13.1 Bonds	16,824,560	32,976,754
13.2 Stocks	4,178,628	2,910,435
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	4,329,344	
13.7 Total investments acquired (Lines 13.1 to 13.6)	25,332,532	35,887,189
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,773,862)	555,202
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	3,500,000	
16.6 Other cash provided (applied)	(44,402)	1,801,179
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(3,544,402)	1,801,179
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)	(898,426)	6,489,091
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	10,591,583	4,102,492
19.2 End of year (Line 18 plus Line 19.1)	9,693,157	10,591,583

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

20.0001		
20.0002		
20.0003		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability—occurrence				
11.2 Medical professional liability—claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability—occurrence	776,344	1,332,559	607,543	1,501,360
17.2 Other liability—claims-made				
17.3 Excess workers' compensation				
18.1 Products liability—occurrence				
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit	356,804	173,299	151,890	378,213
29. International				
30. Warranty	10,489,686	12,168,351	13,514,098	9,143,939
31. Reinsurance-nonproportional assumed property				
32. Reinsurance-nonproportional assumed liability				
33. Reinsurance-nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	11,622,834	13,674,209	14,273,531	11,023,512

DETAILS OF WRITE-IN LINES				
3401.				
3402.				
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical professional liability—occurrence					
11.2 Medical professional liability—claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability—occurrence		607,543			607,543
17.2 Other liability—claims-made					
17.3 Excess workers' compensation					
18.1 Products liability—occurrence					
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit		151,890			151,890
29. International					
30. Warranty		13,514,098			13,514,098
31. Reinsurance-nonproportional assumed property					
32. Reinsurance-nonproportional assumed liability					
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS		14,273,531			14,273,531
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					14,273,531

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)	
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)					
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability—occurrence									
11.2 Medical professional liability—claims-made									
12. Earthquake									
13. Group accident and health									
14. Credit accident and health (group and individual)									
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability—occurrence	22,985			22,985					
17.2 Other liability—claims-made									
17.3 Excess workers' compensation									
18.1 Products liability—occurrence									
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit	371,558			397,152	(25,594)	2,059	14,482	(38,017)	(10.052)
29. International									
30. Warranty	58,344,131	747,211	58,148,844	942,498	29,358	415,499	556,357	6.084	
31. Reinsurance-nonproportional assumed property	X X X								
32. Reinsurance-nonproportional assumed liability	X X X								
33. Reinsurance-nonproportional assumed financial lines	X X X								
34. Aggregate write-ins for other lines of business									
35. TOTALS	58,738,674	747,211	58,568,981	916,904	31,417	429,981	518,340	4.702	

DETAILS OF WRITE-IN LINES								
3401.								
3402.								
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

NONE

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability—occurrence									
11.2 Medical professional liability—claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability—occurrence					564		564		
17.2 Other liability—claims-made									
17.3 Excess workers' compensation									
18.1 Products liability—occurrence									
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit					48,641		46,582	2,059	
29. International									
30. Warranty	7,850			7,850	2,706,500		2,684,992	29,358	1,981
31. Reinsurance-nonproportional assumed property	X X X				X X X				
32. Reinsurance-nonproportional assumed liability	X X X				X X X				
33. Reinsurance-nonproportional assumed financial lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	7,850			7,850	2,755,705		2,732,138	31,417	1,981

10

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

NONE

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	536			536
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	536			536
2. Commission and brokerage:				
2.1 Direct, excluding contingent		549,085		549,085
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		479,220		479,220
2.4 Contingent—direct		760,180		760,180
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)		830,045		830,045
3. Allowances to manager and agents		8,502	345,245	353,747
4. Advertising	50	23,855		23,905
5. Boards, bureaus and associations	9,403	66,103	1,057	76,563
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	177,936	1,250,943	20,000	1,448,879
8.2 Payroll taxes	11,276	79,275	1,267	91,818
9. Employee relations and welfare	40,408	284,083	4,542	329,033
10. Insurance	9,751	68,552	1,096	79,399
11. Directors' fees				
12. Travel and travel items		167,514		167,514
13. Rent and rent items	12,169	85,553	1,368	99,090
14. Equipment	13,556	95,303	1,524	110,383
15. Cost or depreciation of EDP equipment and software				
16. Printing and stationery	5,864	41,224	659	47,747
17. Postage, telephone and telegraph, exchange and express	8,261	58,080	929	67,270
18. Legal and auditing	50,110	450,030	5,632	505,772
19. Totals (Lines 3 to 18)	338,784	2,679,017	383,319	3,401,120
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0	41,796	293,843	4,698	340,337
20.2 Insurance department licenses and fees	23,127	162,593	2,600	188,320
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)	1,143	17,467	128	18,738
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	66,066	473,903	7,426	547,395
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	1,875	13,181	211	15,267
25. Total expenses incurred	407,261	3,996,146	390,956	(a) 4,794,363
26. Less unpaid expenses—current year	1,155	1,166,700	29,892	1,197,747
27. Add unpaid expenses—prior year	1,691	1,375,565	93,160	1,470,416
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	407,797	4,205,011	454,224	5,067,032

DETAILS OF WRITE-IN LINES				
2401. Miscellaneous	1,875	13,181	211	15,267
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	1,875	13,181	211	15,267

(a) Includes management fees of \$ 190,415 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 123,809	97,038
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,387,207	1,421,444
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	101,780	107,086
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,944	1,944
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,614,740	1,627,512
11. Investment expenses		(g) 383,530
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 7,426
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		390,956
17. Net investment income (Line 10 minus Line 16)		1,236,556

DETAILS OF WRITE-IN LINES			
0901.	NONE		
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)			
1501.	NONE		
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)			

- (a) Includes \$ 18,436 accrual of discount less \$ 667,551 amortization of premium and less \$ 101,812 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	155,511		155,511		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	269,396		269,396	180,570	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	424,907		424,907	180,570	

DETAILS OF WRITE-IN LINES					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)					

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	1,140,147	1,240,147	100,000
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	7,104	7,019	(85)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,147,251	1,247,166	99,915
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,147,251	1,247,166	99,915

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Expenses	7,104	7,019	(85)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,104	7,019	(85)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

The accompanying financial statements of Dealers Assurance Company have been prepared in accordance with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the State of Ohio. The company adopted codification as of 01/01/01.

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

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

c. Accounting Policy

1. Short-term investments are stated at cost.
2. Bonds are stated at amortized cost using the scientific method.
3. Common stocks are marked to market.
4. The Company has no investments in preferred stocks.
5. The Company owns no mortgage loans.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. They are amortized using the prospective method.
7. The Company has no investments in subsidiaries or the parent company.
8. Investments are not made in joint ventures, partnerships and limited liability companies.
9. The Company does not use derivatives.
10. The Company does not have a premium deficiency reserve.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. The Company has not reported receivables for pharmaceutical rebates.

2. Accounting Changes and Corrections of Errors

The Company did not make any corrections to prior year annual statements in the 2012 statement.

3. Business Combinations and Goodwill

The Company has not merged with any other entity during 2012.

4. Discontinued Operations

Dealers Assurance Company has no discontinued operations to report.

5. Investments

- A. Mortgage Loans, Including Mezzanine Real Estate Loans
The Company has no mortgage loans.
- B. Debt Restructuring
No recorded investment in restructured loans to report.
- C. Reverse Mortgages
The Company has no investment in reverse mortgages.
- D. Loan-Backed Securities
 1. Bloomberg is used as a source for the prepayment factors.
 2. – 4. Not applicable, no permanently impaired bonds.
 5. No impairments exist other than interest rate related declines classified as temporary.
- E. Repurchase Agreements
The Company did not purchase any repurchase agreements in 2012.
- F. Real Estate
The Company does not own investments in Real Estate.
- G. Investments in Low-Income Housing Tax Credits
The Company has no investments to report that result in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company does not have any investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

All investment income due and accrued that is over 90 days past due would be excluded from surplus. The Company does not have any excluded investment income.

8. Derivative Instruments

Dealers Assurance Company does not own derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of the net deferred tax assets/(liability) at December 31, 2012 are as follows:

1.

	12/31/2012			12/31/2011			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 – 4) Ordinary	(8) (Col 2 – 5) Capital	(9) (Col 7 + 8) Total
a Gross Deferred Tax Assets	1,008,568	71,209	1,079,777	975,305	248,697	1,224,002	33,263	(177,488)	(144,225)
b Statutory Valuation allowance adjustment									
c Adjusted Gross Deferred Tax Asset (1a -1d)	1,008,568	71,209	1,079,777	975,305	248,697	1,224,002	33,263	(177,488)	(144,225)
d Deferred Tax Assets Nonadmitted	630,890	0	630,890	604,400	0	604,400	26,490		26,490
e Subtotal Net Admitted Deferred Tax Assets (1c-1f)	377,678	71,209	448,887	370,905	248,697	619,602	6,773	(177,488)	(170,715)
f Deferred Tax Liabilities	48,709	0	48,709	12,249	0	12,249	36,460	0	36,460
g Net Admitted Deferred Tax Asset (Net Deferred Tax Liability)	328,969	71,209	400,178	358,656	248,697	607,353	(29,687)	(177,488)	(207,175)

2.

	12/31/2012			12/31/2011			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 – 4) Ordinary	(8) (Col 2 – 5) Capital	(9) (Col 7 + 8) Total
Admission Calculation Components SSAP No. 101									

Admission Calculation Components SSAP No. 101

a Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	-	-	-	-	-	-	-	-	-
b Adjusted Gross Deferred Tax Asset Expected To Be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above). After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	328,969	71,209	400,178	358,656	248,697	607,353	(29,687)	(177,488)	(207,175)
1 Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	328,969	71,209	400,178	358,656	248,697	607,353	(29,687)	(177,488)	(207,175)
2. Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Allowed per Limitation Threshold)	xxxxxxx	xxxxx	6,832,872	xxxxxxx	xxxxxxx	6,532,249	xxxxxxx	xxxxxxxxx	300,623
c Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2 (b) above) Offset by Gross Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
d Deferred Tax Assets Admitted as the result of application of SSAP 101.	328,969	71,209	400,178	358,656	248,697	607,353	(29,687)	(177,488)	(207,175)
Total)2(a) + 2(b) + 2 (c))									

3.

	2012	2011
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	566%	675%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 1(b) above	45,952,658	44,155,680

NOTES TO FINANCIAL STATEMENTS

4.

12/31/2012			12/31/2011			Change		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total	(Col 1 – 4) Ordinary	(Col 2 – 5) Capital	(Col 7 + 8) Total

Impact of Tax Planning Strategies

a Adjusted Gross DTA's (% of Total Adjusted Gross DTA's)	0%	7%	7%	0%	20%	20%	0%	-14%	-14%
b Net Admitted Adjusted Gross DTA's (% of Total Net Admitted Adjusted Gross DTA's)	0%	18%	18%	0%	41%	41%	0%	-23%	-23%

c Does the Company's tax-planning strategies include the use of Reinsurance? Yes No

B Deferred tax liabilities are not recognized at December 31, 2012 and 2011 are as follows:

N/A-All Deferred Tax Liabilities have been recognized

C Current income taxes incurred consist of the following major components

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col 1 + 2) Change
1. Current Income Tax			
(a) Federal	2,602,434	2,024,233	578,201
(b) Foreign	-	-	-
(c) Subtotal	2,602,434	2,024,233	578,201
(d) Federal Income tax on net capital gains	144,468	255,996	(111,527)
(e) Utilization of capital loss carry-forwards	(144,468)	(255,996)	111,527
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	2,602,434	2,024,233	578,201
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of Unpaid Losses	8,011	6,113	1,898
(2) Unearned Premium Reserve	970,600	929,846	40,754
(3) Policyholder Reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquisition Costs	-	-	-
(6) Policyholder Dividends Accrual	-	-	-
(7) Fixed Assets	-	-	-
(8) Compensation and Benefits Accrual	29,957	20,393	9,564
(9) Pension Accrual	-	-	-
(10) Receivables-Nonadmitted	-	-	-
(11) Net Operating Loss Carry-forward	-	-	-
(12) Tax Credit Carry-forward	-	-	-
(13) Other (including items <5% of total Capital Assets)	-	-	-
(99) Subtotal	1,008,568	956,352	52,216
(b) Statutory Valuation Allowance Adjustment	-	-	-
(c) Nonadmitted	630,890	621,670	9,220
(d) Admitted Ordinary Deferred tax Asset (2a99 – 2f – 2g)	377,678	334,682	42,996
(e) Capital:			
(1) Investments	-	18,953	(18,953)
(2) Net Capital less Carry-forward	71,209	265,967	(194,758)
(3) Real Estate	-	-	-
(4) Other (including items <5% of total Capital Assets)	-	-	-
(99) Subtotal	71,209	284,920	(213,711)
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2a99 – 2f -2g)	71,209	284,920	(213,711)
(i) Admitted Deferred Tax Asset (2d + 22h)	448,887	619,602	(170,715)

NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2012	(2) 12/31/2011	(3) (Col 1 + 2) Change
3 Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed Assets	-	-	-
(3) Deferred and Uncollected premium	-	-	-
(4) Policyholder Reserves	-	-	-
(5) Other (including items <5% of ordinary Tax Liabilities)	6,288	12,249	(5,961)
(99) Subtotal	6,288	12,249	(5,961)
(b) Capital			
(1) Investments	42,441	-	42,441
(2) Real Estate	-	-	-
(3) Other (including items <5% of ordinary Tax Liabilities)	-	-	-
(99) Subtotal	42,441	-	42,441
(c) Deferred Tax Liabilities (3a99 + 3b99)	48,729	12,249	36,480
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	400,158	607,353	(207,195)

D Among the more significant book to tax adjustments were the following:

	Amount	Tax Effect	%
Income before taxes	7,826,102	2,660,875	34%
Unearned Premium Adjustment	119,864	40,754	1%
Compensation and Benefits Accrual	28,129	9,564	0%
Loss Reserve Discounting	5,584	1,899	0%
Dividends Received Deduction	(71,246)	(24,224)	0%
Capital Loss Carry-Forward	(424,907)	(144,468)	-2%
Other, net	170,693	58,036	1%
Total	7,654,219	2,602,434	33%

E At December 31, 2012, the Company has a net capital carry-loss forward of \$209,000 which are available for recoupment against future capital gains

F. The Company is included in a consolidated federal income tax return with its parent company, DAC Financial Holdings, Inc.

The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

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

- A. All outstanding shares of Dealers Assurance Company are owned by Dealers Alliance Corporation, an insurance holding company domiciled in the State of Ohio.
- B-D Dealers Assurance Company had no transactions with an affiliated company other than cost allocation transactions that are based upon generally accepted accounting principles.
- E. Dealers Assurance Company has no guarantees or undertakings for the benefit of an affiliate, which result in a material contingent exposure of the Company's assets or liabilities.
- F. Other than cost allocation transactions described in (B-D) above there are no material management or service contracts.
- G. The parent company, Dealers Alliance Corporation, is a non-insurance entity. The Company had no transactions other than cost allocation with its parent company. Through 09/30/10 (and prior years) Dealers Assurance Company provided funds for federal income tax deposits (on a consolidated basis). In prior years other companies included in consolidated tax return reimbursed their portion of federal income tax deposits on a quarterly basis. However, at December 31, 2012, there was approximately \$1.1M receivable that had not been reimbursed by Dealers Alliance Corporation. Dealers Assurance Company has reflected that receivable on Asset line 23 – Receivables from parent, subsidiaries and affiliates. The Company has listed this receivable as a non admitted asset.
- H-L Dealers Assurance Company holds no investments in its parent company or affiliates.

11. Debt

The Company does not have any outstanding debt.

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

Post Retirement Benefit Plans.

Dealers Assurance Company has no retirement plans, deferred compensation plans or other postretirement plans.

NOTES TO FINANCIAL STATEMENTS

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

1. The Company has 3,000 shares authorized, 2,330 shares issued and 2,330 shares outstanding.
2. The Company has no preferred stock outstanding.
3. There are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to Stockholders other than the restrictions outlined in (5) below.
4. An ordinary dividend of \$3,500,000 was declared and paid to the company's parent, Dealers Alliance Corporation in 2012.
5. The maximum amount of dividends which can be paid by the State of Ohio insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus. Statutory surplus at December 31, 2012 was \$45,952,658.
6. There were no restrictions placed on the Company's surplus.
7. Company is a stock company.
8. No stocks are held for special purposes.
9. There are no special surplus funds.
10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized losses are \$180,570.
11. The Company issued the following surplus note:

Date Issued	Interest Rate	Par Value (Face Amount of Note)	Carrying Value	Interest and/or Principal Paid Current Year	Total Interest and/or Interest Paid	Unapproved Interest and/or Principal	Date of Maturity
5/26/2004	Libor+4.25 w/12.50% cap until 5/24/09	3,000,000	3,000,000	\$144,458	\$1,703,013	\$0	05/24/34 with first optional call date

This debt obligation exposes DAC to variability in interest payments due to changes in interest rates. If interest rates increase, interest expense increases. Conversely, if interest rates decrease, interest expense decreases. Management has allowed the interest rate swap (@8.87%) with Key Bank to expire without renewing.

12-13. The Company has not undergone reorganization.

14. Contingencies

A – E. The Company does not have outstanding contingencies to report.

15. Leases

Dealers Assurance Company has no material lease obligations at this time.

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

The Company does not own these types of investments.

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

The Company does not have any sales or transfers to report.

18. Gain/Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company was not subject to any gain or loss from uninsured accident and health plans or the uninsured portion of Insured plans.

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

The Company does not have premiums to report produced by managing general agents or third party administrators

20. Fair Value Adjustments

A.

- (1) Fair value at reporting date

Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Preferred Stock	-	-	-	-
Bonds	-	-	-	-
Common Stock (Ind & Misc)	\$4,019,168	-	-	\$4,019,168
Derivative assets	-	-	-	-
Separate account assets	-	-	-	-
Total assets at fair value	\$4,019,168	\$ -	\$ -	\$4,019,168
b. Liabilities at fair value	-	-	-	-
Total liabilities at fair value	-	-	-	-

- (2) There have been no significant transfers between level 1 and 2.

- (3) Assets measured at Fair Value on a recurring basis with significant unobservable inputs (level 3).
NONE

21. Other Items

A. the Company does not have extraordinary items to report.

B. No restructuring of debt occurred.

C. Other Items - None

D – F. The Company does not have any additional disclosures to report.

G. Subprime Mortgage-Related Risk Exposure

The company does not have any exposure to sub-prime mortgage related risk.

The Company's investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive after-tax investment return is supported by a well diversified portfolio consisting of many different types of investments.

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

At the time of filing, no events have occurred which may have a material effect on the financial condition of the Company.

23. Reinsurance

- A. The Company has no unsecured reinsurance recoverable to report.
 B. The Company has no reinsurance recoverable in dispute.
 C. Reinsurance Assumed or Ceded

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a Affiliates						
b All other	\$ 4,122,636	-	\$(155,748,025)	-	\$(151,625,389)	-
c TOTAL	\$ 4,122,636	-	\$(155,748,025)	-	\$(151,625,389)	-
d Direct Unearned Premium reserve			\$ 165,898,858		\$ 165,898.858	

2. The additional or return commissions, predicted on loss experience or on any other form of profit sharing arrangements in this annual statement as result of existing contractual arrangements are accrued as follows:

	(1) Direct	(2) Assumed	(3) Ceded	(4) Net
a. Contingent Commissions	138,710	-	-	138,710
b. Sliding Scale Adjustments				
c. Other Profit Commissions				
d. Total	138,710	-	-	138,710

3. The Company does not have risks assigned to protected cells.

- D. The Company has no uncollectible reinsurance.
 E. Dealers Assurance Company has no commutation of ceded insurance.
 F. The Company did not write any retroactive reinsurance.
 G. The Company does not have reinsurance accounted for as a deposit.
 H. The Company did not enter into any run-off agreements.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have retrospectively rated contracts or contracts subject to redetermination

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2011 were \$431,672. As of December 31, 2012, \$370,000 (net of reinsured prior year claims) were paid for incurred losses and loss adjustment expenses attributable to insured events of prior years.

Schedule P Part 2 Summary reflects favorable development of \$467,000 as a result of the Company adopting the NAIC Schedule P instructions for Line 30 (Warranty) which specified that data should be reported prospectively (i.e., prior-year amounts need not be restated) starting with the 2008 reporting year).

Reserves for prior year are now \$0. There was no re-estimation of unpaid claims and claim adjustment expenses.

Business written by DAC is related to service contracts issued on an assortment of consumer goods, but primarily, automobile service contracts. Historically, losses on this coverage are settled within 90 days of incurred date (98.7%); and the balance is settled within 180 days of incurred date

26. Intercompany Pooling Agreements

The Company does not participate in intercompany pooling arrangements.

27. Structured Settlements

Dealers Assurance Company has no structured settlements.

28. Health Care Receivables

The Company does not have health care receivables.

29. Participating Policies

The Company does not write participating policies.

30. Premium Deficiency Reserves

On February 26, 2013 the company's outside actuaries reviewed the reserves at 12/31/12. Using anticipated investment income it was determined that the company had an adequate reserve liability set up and did not need to carry an additional liability for premium deficiencies.

31. High Deductibles

The Company does not have reserve credits for high deductibles.

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

The Company does not discount unpaid losses or unpaid loss adjustment expenses.

33. Asbestos/Environment Reserves

Dealers Assurance Company does not have exposure to asbestos/environment claims.

34. Subscriber Savings Account

The Company does not have subscriber savings accounts.

35. Multiple Peril Crops Insurance

The Company does not write multiple peril crop insurance.

36. Financial Guaranty Insurance

The company does not write financial guaranty insurance.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/15/2011
- 3.4 By what department or departments?

- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No

GENERAL INTERROGATORIES

6.2 If yes, give full information:

.....

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

Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control.

_____ %

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

1 Nationality	2 Type of Entity
.....

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

Yes [] No [X]

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

.....

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

Yes [] No [X]

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

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

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

Munninghoff, Lange & Co, Covington, KY

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

Yes [] No [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

.....

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

Yes [] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

.....

GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A

10.6 If the response to 10.5 is no or n/a, please explain:

.....

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

Joseph Kirsits, FCAS, MAA of GPW and Associates, Inc.in Phoenix, AZ

.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$ _____

12.2 If yes, provide explanation:

.....

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

.....

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No

13.3 Have there been any changes made to any of the trust indentures during the year? Yes No

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- 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.

Yes No

14.11 If the response to 14.1 is no, please explain:

.....

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

.....

GENERAL INTERROGATORIES

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

.....

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate thereof? Yes [X] No []

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

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ _____
22.22 Amount paid as expenses	\$ _____
22.23 Other amounts paid	\$ _____

GENERAL INTERROGATORIES

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

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

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]

24.02 If no, give full and complete information, relating thereto:
 The Company Purchased and reported Securities at December 31, 2012 with Settlement dates in January 2013.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided):

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ _____

24.103 Total payable for securities lending reported on the liability page \$ _____

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

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

	25.21	Subject to repurchase agreements	\$ _____
	25.22	Subject to reverse repurchase agreements	\$ _____
	25.23	Subject to dollar repurchase agreements	\$ _____
	25.24	Subject to reverse dollar repurchase agreements	\$ _____
	25.25	Pledged as collateral	\$ _____
	25.26	Placed under option agreements	\$ _____
	25.27	Letter stock or securities restricted as to sale	\$ _____
	25.28	On deposit with state or other regulatory body	\$ <u>3,721,564</u>
	25.29	Other	\$ _____

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

GENERAL INTERROGATORIES

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement. Yes No N/A
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

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

1 Name of Custodian(s)	2 Custodian's Address
Fifth Third Bank	Cincinnati, OH
US Bank	Winston Salem, NC
Sun Trust	Richmond, VA
First National Bankers Bank	Little Rock, AR
Citibank, NA	NY, NY
Century Bank	Sante Fe, NM
RBS Citizens, NA	Providence, RI
Xerox State & Local Solutions, Inc	Quincy, MA

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Bank of Albuquerque	Century Bank	07/01/2012	NM DOI instituted change of custodian
Key Bank	Firth Third Bank	08/01/2012	Consolidating Financial Assets
Merrill Lynch	Fifth Third Bank	10/01/2012	Consolidating Financial Assets
Xerox State & Local Solutions, Inc	CitiBank, NA	10/01/2012	NH DOI instituted change of custodian

28.05 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 Number(s)	2 Name	3 Address
104650	Fifth Third Bank	Cincinnati, OH

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

GENERAL INTERROGATORIES

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	62,252,244	63,565,584	1,313,340
30.2 Preferred stocks			
30.3 Totals	62,252,244	63,565,584	1,313,340

30.4 Describe the sources or methods utilized in determining the fair values:

Market Values provided by Custodial Statements

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes No

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes No

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 47,005

GENERAL INTERROGATORIES

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
PCI	\$ 47,005
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$ 19,901

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Thompson Hine LLP	\$ 14,985
.....	\$
.....	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

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

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only. \$ _____

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____

1.31 Reason for excluding

.....

.....

.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ _____

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____

1.62 Total incurred claims \$ _____

1.63 Number of covered lives _____

All years prior to most current three years:

1.64 Total premium earned \$ _____

1.65 Total incurred claims \$ _____

1.66 Number of covered lives _____

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____

1.72 Total incurred claims \$ _____

1.73 Number of covered lives _____

All years prior to most current three years:

1.74 Total premium earned \$ _____

1.75 Total incurred claims \$ _____

1.76 Number of covered lives _____

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ _____		\$ _____	
2.2 Premium Denominator	\$ _____		\$ _____	
2.3 Premium Ratio (2.1/2.2)				
2.4 Reserve Numerator	\$ _____		\$ _____	
2.5 Reserve Denominator	\$ _____		\$ _____	
2.6 Reserve Ratio (2.4/2.5)				

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$ _____

3.22 Non-participating policies \$ _____

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [] No []

4.2 Does the reporting entity issue non-assessable policies? Yes [] No []

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? _____ %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [] No []

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]

5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

.....

.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No [X]

5.5 If yes, give full information

.....

.....

.....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 Not Applicable

- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 Not Applicable

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes No N/A
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes No
- 11.2 If yes, give full information

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | | |
|---|--|----|--|
| 12.11 Unpaid losses | | \$ | |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | | \$ | |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ _____
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes No N/A
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | | | | |
|------------|--|--|--|---|
| 12.41 From | | | | % |
| 12.42 To | | | | % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes No
- 12.6 If yes, state the amount thereof at December 31 of current year:
- | | | | |
|----------------------------------|--|----|--|
| 12.61 Letters of Credit | | \$ | |
| 12.62 Collateral and other funds | | \$ | |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ _____
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes No
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. _____
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes No
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes No
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes No
- 14.5 If the answer to 14.4 is no, please explain:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes No
- 15.2 If yes, give full information

- 16.1 Does the reporting entity write any warranty business? Yes No
 If yes, disclose the following information for each of the following types of warranty coverage:
- | | | 1 | 2 | 3 | 4 | 5 |
|------------------|----|---------------------------|-------------------------|---------------------------|----------------------------|--------------------------|
| | | Direct Losses
Incurred | Direct Losses
Unpaid | Direct Written
Premium | Direct Premium
Unearned | Direct Premium
Earned |
| 16.11 Home | \$ | 1,931,892 | 66,309 | 3,152,974 | 77,963 | 2,862,747 |
| 16.12 Products | \$ | | | | | |
| 16.13 Automobile | \$ | 56,265,208 | 2,648,042 | 117,622,927 | 161,533,418 | 91,694,608 |
| 16.14 Other* | \$ | | | | | |

* Disclose type of coverage: _____

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ _____
17.19 Unfunded portion of Interrogatory 17.18	\$ _____
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ _____
17.21 Case reserves portion of Interrogatory 17.18	\$ _____
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ _____
17.23 Unearned premium portion of Interrogatory 17.18	\$ _____
17.24 Contingent commission portion of Interrogatory 17.18	\$ _____

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

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

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

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2012	2011	2010	2009	2008
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,100,455	878,577	625,788	498,014	581,601
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	129,696,248	113,676,761	78,598,326	60,120,847	59,631,589
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	130,796,703	114,555,338	79,224,114	60,618,861	60,213,190
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	776,344	604,020	497,615	498,014	581,601
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	10,846,490	9,566,580	8,206,455	3,307,881	2,225,160
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	11,622,834	10,170,600	8,704,070	3,805,895	2,806,761
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	6,101,765	4,484,610	4,975,427	6,386,215	6,729,649
14. Net investment gain (loss) (Line 11)	1,661,463	1,971,741	1,354,417	1,198,877	780,297
15. Total other income (Line 15)	62,875	28,307	16,658	50,791	81,408
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	2,602,434	2,024,233	2,108,672	2,470,288	2,321,549
18. Net income (Line 20)	5,223,669	4,460,425	4,237,830	5,165,595	5,269,805
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	74,079,957	76,420,489	64,044,670	61,463,551	59,210,179
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	2,204,472	2,941,331	1,187,951	1,636,971	1,575,602
20.2 Deferred and not yet due (Line 15.2)			2,886		72
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	28,127,299	32,264,809	24,458,579	24,866,383	26,559,910
22. Losses (Page 3, Line 1)	31,417	429,981	14,781	18,178	28,984
23. Loss adjustment expenses (Page 3, Line 3)	1,981	1,691	1,643	1,096	2,558
24. Unearned premiums (Page 3, Line 9)	14,273,531	13,674,209	12,682,616	13,128,213	17,140,770
25. Capital paid up (Page 3, Lines 30 & 31)	4,200,990	4,200,990	4,200,990	4,200,990	4,200,990
26. Surplus as regards policyholders (Page 3, Line 37)	45,952,658	44,155,680	39,586,091	36,597,168	32,650,269
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	6,419,838	4,132,710	4,254,682	2,005,786	(1,253,461)
Risk-Based Capital Analysis					
28. Total adjusted capital	45,952,658	44,155,680	39,586,091	36,597,168	32,650,269
29. Authorized control level risk-based capital	8,046,631	6,450,667	4,743,186	4,010,519	3,544,078
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	80.5	80.4	87.9	83.1	83.8
31. Stocks (Lines 2.1 & 2.2)	5.7	4.8	5.4	5.0	4.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	13.8	14.8	6.7	11.9	11.8
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				X X X	X X X
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)				0.0	
39. Securities lending reinvested collateral assets (Line 10)				X X X	X X X
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	180,570	(288,241)	331,276	815,800	(874,397)
52. Dividends to stockholders (Line 35)	(3,500,000)		(2,000,000)		
53. Change in surplus as regards policyholders for the year (Line 38)	1,796,979	4,569,589	2,988,923	3,946,899	4,673,303
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	22,985	3,192			
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	59,462,900	51,605,465	39,146,390	30,756,101	24,277,460
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	59,485,885	51,608,657	39,146,390	30,756,101	24,277,460
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	916,904	445,540	542,199	(1,057,791)	1,964,558
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	916,904	445,540	542,199	(1,057,791)	1,964,558
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	4.7	9.4	5.9	(13.7)	16.9
68. Loss expenses incurred (Line 3)	3.7	4.1	4.3	3.6	2.5
69. Other underwriting expenses incurred (Line 4)	36.3	37.6	35.5	28.4	20.5
70. Net underwriting gain (loss) (Line 8)	55.4	48.9	54.4	81.7	60.0
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	33.8	33.7	37.1	57.0	79.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	8.4	13.5	10.1	(10.1)	19.5
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	25.3	23.0	22.0	10.4	8.6
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(467)	(2)	1	(2)	(85)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(1.1)	(0.0)	0.0	(0.0)	(0.3)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(2)	1	(2)	(85)	10
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.0)	0.0	(0.0)	(0.3)	0.0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

.....
.....
.....

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES**SCHEDULE P – PART 1 – SUMMARY**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	X X X	X X X	X X X								X X X	
2. 2003	5,475	500	4,975	2,199	84			360			2,475	X X X
3. 2004	5,360	872	4,488	1,964	102			442			2,304	X X X
4. 2005	8,707	3,464	5,243	3,653	1,710			424			2,367	X X X
5. 2006	12,965	5,882	7,083	6,135	4,103			419			2,451	X X X
6. 2007	20,768	10,838	9,930	11,515	8,403			469			3,581	X X X
7. 2008	41,677	30,463	11,214	24,213	22,233			293			2,273	X X X
8. 2009	56,312	48,493	7,819	30,747	31,816			280			(789)	X X X
9. 2010	64,993	55,842	9,151	39,141	38,604			390			927	X X X
10. 2011	80,370	71,192	9,178	51,618	51,222			357			753	X X X
11. 2012	98,570	87,547	11,023	59,464	58,509			407			1,362	X X X
12. Totals	X X X	X X X	X X X	230,649	216,786			3,841			17,704	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Other Unpaid				
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior													X X X
2. 2003													X X X
3. 2004													X X X
4. 2005													X X X
5. 2006													X X X
6. 2007													X X X
7. 2008													X X X
8. 2009													X X X
9. 2010													X X X
10. 2011													X X X
11. 2012	8		2,757	2,733					2			34	X X X
12. Totals	8		2,757	2,733					2			34	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 2003	2,559	84	2,475	46.740	16.800	49.749					
3. 2004	2,406	102	2,304	44.888	11.697	51.337					
4. 2005	4,077	1,710	2,367	46.824	49.365	45.146					
5. 2006	6,554	4,103	2,451	50.551	69.755	34.604					
6. 2007	11,984	8,403	3,581	57.704	77.533	36.062					
7. 2008	24,506	22,233	2,273	58.800	72.984	20.269					
8. 2009	31,027	31,816	(789)	55.098	65.609	(10.091)					
9. 2010	39,531	38,604	927	60.823	69.131	10.130					
10. 2011	51,975	51,222	753	64.670	71.949	8.204					
11. 2012	62,638	61,242	1,396	63.547	69.953	12.664					
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	32	2

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

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1	2	3	4	5	6	7	8	9	10	11	12	
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year	
1. Prior													
2. 2003	2,131	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115			
3. 2004	XXX	1,856	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862			
4. 2005	XXX	XXX	1,966	1,943	1,943	1,943	1,943	1,943	1,943	1,943			
5. 2006	XXX	XXX	XXX	2,022	2,032	2,032	2,032	2,032	2,032	2,032			
6. 2007	XXX	XXX	XXX	XXX	3,197	3,112	3,112	3,112	3,112	3,112			
7. 2008	XXX	XXX	XXX	XXX	XXX	1,982	1,980	1,980	1,980	1,980			
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	(1,039)	(1,038)	(1,038)	(1,038)			
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	539	537	537		(2)	
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	863	396	(467)	XXX	
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	987	XXX	XXX	
											12. Totals	(467)	(2)

SCHEDULE P – PART 3 – SUMMARY

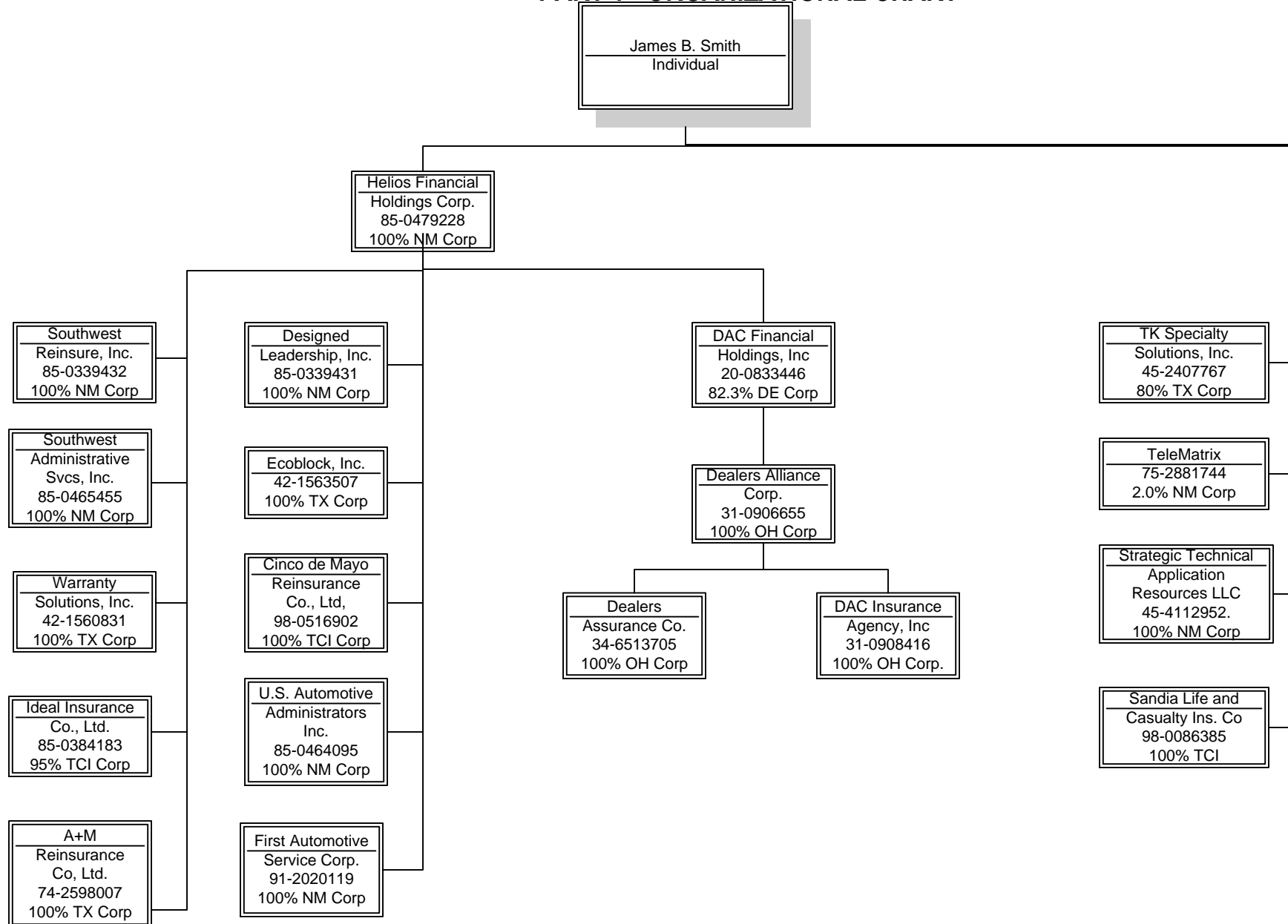
Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior	000										XXX	XXX
2. 2003	1,999	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	XXX	XXX
3. 2004	XXX	1,701	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	XXX	XXX
4. 2005	XXX	XXX	1,847	1,943	1,943	1,943	1,943	1,943	1,943	1,943	XXX	XXX
5. 2006	XXX	XXX	XXX	1,960	2,032	2,032	2,032	2,032	2,032	2,032	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	3,102	3,112	3,112	3,112	3,112	3,112	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	1,954	1,980	1,980	1,980	1,980	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	(1,039)	(1,039)	(1,039)	(1,039)	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	522	537	537	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	433	396	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	955	XXX	XXX

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003	29									
3. 2004	XXX	31								
4. 2005	XXX	XXX	25							
5. 2006	XXX	XXX	XXX	14						
6. 2007	XXX	XXX	XXX	XXX	20					
7. 2008	XXX	XXX	XXX	XXX	XXX	4				
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	2			
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3		
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18	
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24

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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

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