Amend electronic Note 30 to include a date of evaluation for deficiency reserves and disclose the treatment of investment income in the calculation. This disclosure matches the printed version of the notes.

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PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

The Celina Mutual Insurance Company

NAIC Group Code 0035 (Current) 0035 (Prior) NAIC Company Code 20176 Employer's ID Number 34-4202015

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

Country of Domicile United States of America

Incorporated/Organized 11/12/1919 Commenced Business 02/23/1920

Statutory Home Office 1 Insurance Square (Street and Number), Celina , OH, US 45822-1690 (City or Town, State, Country and Zip Code)

Main Administrative Office 1 Insurance Square (Street and Number)

Celina , OH, US 45822-1690 (City or Town, State, Country and Zip Code), 419-586-5181 (Area Code) (Telephone Number)

Mail Address 1 Insurance Square (Street and Number or P.O. Box), Celina , OH, US 45822-1690 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1 Insurance Square (Street and Number)

Celina , OH, US 45822-1690 (City or Town, State, Country and Zip Code), 419-586-5181-8227 (Area Code) (Telephone Number)

Internet Website Address www.celinainsurance.com

Statutory Statement Contact Philip Marion Fullenkamp (Name), 419-586-5181-8227 (Area Code) (Telephone Number)

pfullenkamp@celinainsurance.com (E-mail Address), 419-586-6068 (FAX Number)

OFFICERS

President	William West Montgomery	Treasurer	Philip Marion Fullenkamp
Secretary	Michael Stanley Kleinhenz		

OTHER

William Rodney Stapleton Sr. VP and COO	Robert Mark Shoenfelt Sr. VP and CIO	Vincent Miles Franz VP and Chief Actuary
Theodore Joseph Wissman VP - Claims	Martha Jane Meinerding VP - Human Resources	

DIRECTORS OR TRUSTEES

William West Montgomery - Chairman	Philip Marion Fullenkamp	Nancy Montgomery Goldberg
David Thomas Mellin	Wesley Moore Jetter	John Michael Lazarich
Collin Jay Bryan #		

State of Ohio
County of Mercer
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.

William West Montgomery	Michael Stanley Kleinhenz	Philip Marion Fullenkamp
Chairman, President and CEO	Secretary and Assistant Treasurer	Sr. VP - CFO and Treasurer

Subscribed and sworn to before me this
day of April 2013

a. Is this an original filing? Yes [ ] No [X]
b. If no,
1. State the amendment number 1
2. Date filed 04/17/2013
3. Number of pages attached 1

Lori Homan
Accountant
February 28, 2017

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements of The Celina Mutual Insurance Company (the “Company”) have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance requires insurance companies domiciled in Ohio to prepare their statements in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Ohio Department of Insurance. The Company has not implemented any accounting practices which are prescribed or permitted by the State of Ohio that differ from those found in the NAIC Accounting Practices and Procedures Manual.

B. Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles (SSAP) 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

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.
(2) Bonds not backed by other loans are stated at amortized cost, using the interest method. Non-investment grade bonds are stated at the lower of amortized cost or fair value.
(3) Unaffiliated common stocks are stated at fair value.
(4) Preferred stocks are stated at either fair value or the lower of cost or fair value.
(5) The Company has no mortgage loans.
(6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The prospective adjustment method is used to value such securities.
(7) The Company has no investments in stock of subsidiaries.
(8) The Company has no investments in joint ventures, partnerships or limited liability companies.
(9) The Company owns no derivatives.
(10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53. Property-Casualty Contracts - Premiums.
(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an 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 used 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 does not offer health insurance policies and has no pharmaceutical rebate receivables.

2. Accounting Changes and Corrections of Errors – None to Report.

3. Business Combinations and Goodwill - None to report.

4. Discontinued Operations - None to report.

5. Investments

A. Mortgage Loans – None to report.

B. Debt Restructuring – None to report.

C. Reverse Mortgages – None to report.

NOTES TO FINANCIAL STATEMENTS

D. Loan-backed Securities

(1) Prepayment assumptions for loan-backed bonds or structured securities were obtained from broker dealer survey values or internal estimates. Significant changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method.

The aggregate Fair Value of loan-backed securities at December 31, 2012 is $14,010,030 with approximately 79% represented by agency-backed securities. Fair Values represent quoted prices in active markets, quoted prices in active markets for similar securities, or modeled valuations using the present value of estimated future cash flows.

(2) Securities with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the impairment are:

	(1) Amortized Cost Basis Before Other-Than-Temporary - Impairment	(2) Other-Than-Temporary-Impairment Recognized in Loss	(3) Fair Value
OTTI recognized 1st Quarter			
a. Intent to Sell	$ -	$ -	$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	98,809	8,345	90,464
c. Total 1st Quarter	$ 98,809	$ 8,345	$ 90,464
OTTI recognized 2nd Quarter			
d. Intent to Sell	$ -	$ -	$ -
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
f. Total 2nd Quarter	$ -	$ -	$ -
OTTI recognized 3rd Quarter			
g. Intent to Sell	$ -	$ -	$ -
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
i. Total 3rd Quarter	$ -	$ -	$ -
OTTI recognized 4th Quarter			
j. Intent to Sell	$ -	$ -	$ -
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
l. Total 4th Quarter	$ -	$ -	$ -
m. Annual Aggregate Total		$ 8,345	

(3) Securities with a recognized other-than-temporary impairment, currently held, where the present value of expected cash flows are less than the amortized costs are:

(1) CUSIP	(2) Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized Other-Than-Temporary-Impairment	(5) Amortized Cost After Other-Than-Temporary-Impairment	(6) Fair Value at time of OTTI	(7) Date of Financial Statement Where Reported
12669G-YP-0	$ 98,809	$ 90,464	$ 8,345	$ 90,464	$ 90,464	Mar 31, 2012
Total	XXX	XXX	$ 8,345	XXX	XXX	XXX

NOTES TO FINANCIAL STATEMENTS

(4) Aggregate values for securities with unrealized losses are:

a. The aggregate amount of unrealized losses:		
1. Less than 12 months	$	59,315
2. 12 months or Longer	$	87,792
b. The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months	$	4,100,492
2. 12 months or Longer	$	731,015

(5) The Company uses information from several sources to evaluate impairments for other-than-temporary recognition. These categories include security ratings from nationally recognized statistical rating organizations, analysis of issuers' financial condition, estimates of principal recovery, and the ability to hold the security until recovery.

E. Repurchase Agreements – None to report.

F. Real Estate

1. The Company has no impairment losses on real estate.
2. The Company does not classify its real estate investments as held for sale.
3. The Company has no plans for the sale of its real estate.
4. The Company does not engage in retail land sales operations.
5. The Company does not hold real estate investments with participating mortgage loans.

G. Investment in Low-income Housing Credits – None to report.

6. Joint Ventures, Partnerships and Limited Liability Corporations - None to report.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:
All investment income due and accrued with amounts that are over 90 days past due are excluded.

B. Total Excluded – None to report.

8. Derivative Investments - None to report.

9. Income Taxes

A. 1. The components of the net DTA recognized in Assets, Liabilities, Surplus and Other Funds are as follows:

	12/31/2012			12/31/2011			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross Deferred Tax Assets	$ 2,353,071	$ 112,786	$ 2,465,857	$ 2,391,817	$ 312,198	$ 2,704,015	$ (38,746)	$ (199,412)	$ (238,158)
b. Statutory Valuation Allowance Adjustments	-	-	-	-	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a-1b)	2,353,071	112,786	2,465,857	2,391,817	312,198	2,704,015	(38,746)	(199,412)	(238,158)
d. Deferred Tax Assets Nonadmitted	531,435	13,843	545,278	486,796	249,135	735,931	44,639	(235,292)	(190,653)
e. Subtotal Net Admitted Deferred Tax Asset	1,821,636	98,943	1,920,579	1,905,021	63,063	1,968,084	(83,385)	35,880	(47,505)
f. Deferred Tax Liabilities	35,811	98,943	134,754	23,114	63,063	86,177	12,697	35,880	48,577
g. Net admitted deferred tax asset/ (Net deferred tax liability) (1e-1f)	$ 1,785,825	$ -	$ 1,785,825	$ 1,881,907	$ -	$ 1,881,907	$ (96,082)	$ -	$ (96,082)
(Increase) decrease in nonadmitted asset			$ 190,653			$ 228,700			

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components

	12/31/2012			12/31/2011			Change		
Admission Calculation Components	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SSAP No. 101			(Col 1+2)			(Col 4+5)	(Col 1-4)	(Col 2-5)	(Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 34,201	$ -	$ 34,201	$ -	$ -	$ -	$ 34,201	$ -	$ 34,201
b. Admitted Gross Deferred Tax Assets 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)	$ 1,751,624	$ -	$ 1,751,624	$ 1,881,907	$ -	$ 1,881,907	$ (130,283)	$ -	$ (130,283)
1.Adjusted Gross Deferred Tax Assets Expected to be realized Following the Balance Sheet Date.	$ 1,751,624	$ -	$ 1,751,624	$ 1,881,907	$ -	$ 1,881,907	$ (130,283)	$ -	$ (130,283)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ 3,073,818	XXX	XXX	$ 2,781,061	XXX	XXX	$ 292,757
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.	$ 35,811	$ 98,943	$ 134,754	$ 23,114	$ 63,063	$ 86,177	$ 12,697	$ 35,880	$ 48,577
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) +2(b)+2(c))	$ 1,821,636	$ 98,943	$ 1,920,579	$ 1,905,021	$ 63,063	$ 1,968,084	$ (83,385)	$ 35,880	$ (47,505)

3. Ratio and Adjusted Capital used for amounts in (2)b1 and (2)b2

	2012	2011
a. Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.	822%	755%
b. Amount Of Adjusted Capital and Surplus Used To Determine Recovery Period and Threshold Limitation In 2(b)2 Above.	$20,492,122	$19,365,111

4. Impact of Tax – Planning Strategies

Impact of Tax - Planning Strategies	12/31/2012			12/31/2011			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
b. Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%

c. Does the Company's tax- planning strategies include the use of reinsurance? Yes ___ No X

B. The Company has no deferred tax liabilities that are not recognized.

C. Current Tax and Change in Deferred Tax

The components of the net deferred tax asset/(liability) at the end of the current period are as follows:

1. Current Income Tax	(1) As of End of Current Period	(2) 12/31/2011	(3) (Col. 1-2) Change
a. Federal	$ 4,270	$ (403,034)	$ 407,304
b. Foreign	-	-	-
c. Subtotal	4,270	(403,034)	407,304
d. Federal income tax on net capital gains	66,965	99,050	(32,085)
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	$ 71,235	$ (303,984)	$ 375,219

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets	(1) As of End of Current Period	(2) 12/31/2011	(3) (Col. 1-2) Change
a. Ordinary			
1. Discounting of unpaid losses	$ 269,710	$ 286,126	$ (16,416)
2. Unearned premium reserve	1,315,671	1,158,681	156,990
3. Policyholder reserves			-
4. Investments			-
5. Deferred acquisition costs			-
6. Policyholder dividends accrual			-
7. Fixed assets	169,245	169,177	68
8. Compensation and benefits accrual	418,522	310,213	108,309
9. Pension accrual			-
10. Receivables - nonadmitted	111,386	138,450	(27,064)
11. Net operating loss carry - forward	61,917	324,084	(262,167)
12. Tax credit carry - forward			-
13. Other (including items <5% of total ordinary tax assets)	6,620	5,086	1,534
99. Subtotal	2,353,071	2,391,817	(38,746)
b. Statutory valuation allowance adjustment			-
c. Nonadmitted	531,435	486,796	44,639
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	1,821,636	1,905,021	(83,385)
e. Capital:			
1. Investments	112,786	312,198	(199,412)
2. Net Capital loss carry - forward			-
3. Real estate			-
4. Other (including items <5% of total ordinary tax assets)			-
99. Subtotal	112,786	312,198	(199,412)
f. Statutory valuation allowance adjustment			-
g. Nonadmitted	13,843	249,135	(235,292)
h. Admitted capital deferred tax assets (2e99-2f-2g)	98,943	63,063	35,880
i. Admitted deferred tax assets (2d+2h)	$ 1,920,579	$ 1,968,084	$ (47,505)

3. Deferred Tax Liabilities	(1) As of End of Current Period	(2) 12/31/2011	(3) (Col. 1-2) Change
a. Ordinary			
1. Investments	$ 35,811	$ 23,114	$ 12,697
2. Fixed Assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other (including items <5% of total capital assets)	-	-	-
99. Subtotal	35,811	23,114	12,697
b. Capital			
1. Investments	98,943	63,063	35,880
2. Real estate	-	-	-
3. Other (including items <5% of total capital assets)	-	-	-
99. Subtotal	98,943	63,063	35,880
c. Deferred tax liabilities (3a99+3b99)	$ 134,754	$ 86,177	$ 48,577

4. Net deferred tax assets/liabilities (2i - 3c)	$ 1,785,825	$ 1,881,907	$ (96,082)

The change in net deferred income taxes is comprised of the following:

	12/31/2012	12/31/2011	Change
Total deferred tax assets	$ 2,465,857	$ 2,704,015	$ (238,158)
Total deferred tax liabilities	134,754	86,177	48,577
Net deferred tax asset	$ 2,331,103	$ 2,617,838	(286,735)
Total effect of unrealized gains/losses			35,880
Change in net deferred income tax			$ (250,855)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

	12/31/2012	Effective Tax Rate
Provision computed at statutory rate	$ 354,747	34.0%
Tax exempt income deduction	(65,510)	-6.3%
Change in nonadmitted assets	27,064	2.6%
Dividends received deduction	(26,209)	-2.5%
Proration of tax exempt investment income	13,758	1.3%
Disallowed travel and entertainment, donations	7,247	0.7%
Other	10,993	1.1%
Total	$ 322,090	30.9%
Federal income taxes incurred	$ 71,235	6.9%
Change in deferred income taxes	250,855	24.0%
Total statutory income taxes	$ 322,090	30.9%

	12/31/2012	Effective Tax Rate
Current income tax expense	$ 4,270	0.4%
Current taxes on realized capital gains	66,965	6.5%
Federal income taxes incurred	71,235	6.9%
Utilization of loss carry-forwards	-	0.0%
Change in net deferred income taxes	250,855	24.0%
Total statutory income taxes	$ 322,090	30.9%

E. Operating Loss and Tax Credit Carry-forwards

1. At December 31, 2012, the Company had unused operating loss carry-forwards of approximately $182,000 available to offset against future taxable income.
2. The following income tax expense for 2012 and 2011 is available for recoupment in the event of future net losses:

Year	Amount
2012	$70,604
2011	$0

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. The Company does not consolidate its federal income tax return with any other entity.

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B. & C. The National Mutual Insurance Company is the lead pooling company for the Celina Insurance Group Property & Casualty Pool, and through service and cost sharing agreements, provides all staff to operate each of the individual member companies of the Celina Insurance Group.

Other than reinsurance transactions and cost allocation transactions based on generally accepted accounting principles and non-insurance transactions that were less than ½ of 1% of total admitted assets, no reportable transactions with affiliates occurred during the statement periods.

D. Inter-company receivables and payables are the result of various transactions between the Company and its affiliates where settlement has not yet occurred. The Company reported receivables of $482,667 at December 31, 2012 and a payable of $371,838 to an affiliate at December 31 2011. The terms of settlement require these amounts to be settled within 45 days of the end of each quarter.

E. No guarantees or undertakings have been taken for the benefit of an affiliate or related party.

F. The Company has a service agreement with The National Mutual Insurance Company (National) whereby National provides sales, underwriting, claims, accounting, data processing, supervisory, administrative and investment management services to the Company. The Company reimburses National for the cost of the services.

G. The Company is affiliated with three property and casualty companies, The National Mutual Insurance Company, Miami Mutual Insurance Company, and West Virginia Farmers Mutual Insurance Association. The majority of the members of the Boards of Directors and executive officers serve in similar capacities for more than one of the companies.

H. The Company does not own shares of an upstream company.

I. The Company does not have an investment in an SCA entity whose carrying value exceeds 10% of the admitted assets of the Company.

J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement period.

K. The Company does not have any investment in foreign insurance subsidiaries.

L. The Company does not have any investment in a downstream noninsurance holding company.

11. Debt

None to report.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plans – None to Report.

B. Defined Contribution Plan

The Company and its affiliates participate in a qualified, defined contribution pension plan, sponsored by The National Mutual Insurance Company, covering substantially all employees having attained the age of 21 with one year of service. Contributions are made using a percentage, 5.25% for employees under age 40 and 7% for those 40 and older, of each employee's compensation. The Company's share of net expense for the qualified pension plan was $219,696 for 2012 and $207,674 for 2011. At December 31, 2012, the fair value of plan assets was $12,249,591.

National Mutual Insurance Company also sponsors a non-contributory 401(k) savings plan providing employees the opportunity for tax deferred savings. While company contributions are permitted under the terms of the plan, none have been made.

An additional liability is recorded for supplemental compensation agreements with former employees. These arrangements are separate agreements, not part of a qualified plan, and no assets are allocated to satisfy these obligations. Liabilities recorded as a result of these agreements totaled $85,712 and $43,355 at December 31, 2012 and 2011, respectively.

NOTES TO FINANCIAL STATEMENTS

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

1, 2, 3, 4 & 5. The Company is a mutual company and has no stock outstanding.
6. There are no restrictions placed on the Company's unassigned surplus as of 12/31/2012.
7. There are no advances on surplus.
8. There is no stock of affiliated companies held for special purposes.
9. There are no balances held in special surplus funds.
10. The portion of unassigned funds (surplus) represented or (reduced) by unrealized gains and (losses) is $192,066.
11. No surplus debentures or similar obligations exist.
12 & 13. No quasi-reorganization has taken place.

14. Contingencies

A. The Company has no contingent commitments to report.

B. The Company has received notification of various insurance company insolvencies and anticipates that they will result in an immaterial guaranty fund assessment against the company. A liability for future assessments has been charged to operations in the current period.

C. The Company has no gain contingencies to report.

D. The Company did not pay any amounts for claims related to extra contractual obligations, or for bad faith losses stemming from lawsuits, in either 2012 or 2011.

E. The Company does not offer Product Warranties.

F. Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. In both 2012 and 2011, the Company recognized other-than-temporary-impairments on its ownership of structured securities issued by Countrywide Financial.

15. Leases

A. 1. The Company leases home office real estate with its affiliated companies. The Company's annual rent expense under a lease commencing on January 1, 1999 for a fifteen year term was $131,760 per year in 2012 and 2011.

The Company also leases equipment and automobiles under various non-cancelable operating lease agreements that expire through December 2017. Rental expense for 2012 and 2011 was $143,428 and $154,279, respectively.

2. At January 1, 2013, the minimum aggregate rental commitments are approximately $346,233. Future minimum aggregate rental payments for the five succeeding years are as follows:

Year ending December 31	Operating Leases
2013	$ 224,432
2014	$ 61,121
2015	$ 27,158
2016	$ 17,652
2017	$ 15,870

B. The Company has no lessor or leveraged leases.

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

None to report.

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

None to report.

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

None to report.

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

None to report.

20. Fair Value Measurements

A. Financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by Statement of Statutory Accounting Principle No. 100, Fair Value Measurements. Level 1 inputs in the hierarchy consist of unadjusted quoted prices for identical assets and liabilities in active markets. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 3 inputs consist of unobservable inputs (supported by little or no market activity) and reflect management's best estimate of what hypothetical market participants would use to determine a transaction price at the reporting date.

(1) Assets Measured at Fair Value

Description for each class of asset or liability	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Perpetual Preferred Stock				
Industrial and Misc	$ -	$ -	$ -	$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	$ -	$ -	$ -	$ -
Bonds				
U.S. Governments	$ -	$ -	$ -	$ -
Industrial and Misc	-	1,260,156	-	1,260,156
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total bonds	$ -	$ 1,260,156	$ -	$ 1,260,156
Common stock				
Industrial and Misc	$ 3,770,990	$ 82,800	$ -	$ 3,853,790
Parent, Subsidiaries and Affiliates	-	-	-	-
Total common stock	$ 3,770,990	$ 82,800	$ -	$ 3,853,790
Derivative assets				
Interest rate contracts	$ -	$ -	$ -	$ -
Foreign exchange contracts	-	-	-	-
Credit Contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total Derivatives	$ -	$ -	$ -	$ -
Separate account assets	$ -	$ -	$ -	$ -
Total assets at fair value	$ 3,770,990	$ 1,342,956	$ -	$ 5,113,946
b. Liabilities at fair value				
Derivative liabilities	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(2) Fair Value Measurements in Level 3 of the Fair Value hierarchy

Description	Beginning Balance at 01/01/2012	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
a. Assets										
Residential Mortgage-Backed Securities	$ 303,625	$ -	$ (276,543)	$ (3,196)	$ (23,886)	$ -	$ -	$ -	$ -	$ -
Total Assets	$ 303,625	$ -	$ (276,543)	$ (3,196)	$ (23,886)	$ -	$ -	$ -	$ -	$ -

Transfers in and out of Level 3 are made when NAIC designation changes require the security to be carried at fair value. Modeled prices are used when there is a lack of active trading in the security and transfers out occur when there is active trading in the market for the security.

(3) Level 2 inputs are obtained from external pricing services, either Interactive Data or Pricing Direct. Level 3 inputs represent values for bonds which are not actively traded in the market. The carrying values reflect management's best estimate of value at the reporting date.

B. Other Fair Value Disclosures – None to report.

C. Aggregate Fair Value of Assets

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	$ 22,245,338	$ 20,674,587	$ -	$ 22,245,338	$ -	$ -
CMO	12,457,056	12,155,092	-	12,457,056	-	-
MBS	5,353,394	5,098,512	-	5,353,394	-	-
Preferred Stock	267,976	218,118	-	267,976	-	-
Common Stock	3,853,790	3,853,790	3,770,990	82,800	-	-
Short Term	1,286,698	1,286,698	1,286,698	-	-	-
Total	$ 45,464,252	$ 43,286,797	$ 5,057,688	$ 40,406,564	$ -	$ -

D. Not Practicable to Estimate Fair Value – None to report.

21. Other Items

A. Extraordinary Items – None to report.
B. Troubled Debt Restructuring: Debtors – None to report.
C. Assets in the amount of $1,019,997 and $1,022,717 at December 31, 2012 and December 31, 2011, respectively, were on deposit with government authorities or trustees as required by law. There were no compensating balances or collateral pledged.
D. At December 31, 2012 and 2011 the Company had admitted assets of $10,702,337 and $9,356,316, respectively in the accounts receivable for amounts due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
E. Business Interruption Insurance Recoveries – None to report.
F. State Transferable and Non-transferable Tax Credits – None to report.
G. Subprime-Mortgage-Related Risk Exposure
   1. The Company defines its subprime exposure as those investments where the underlying mortgage pools have the following characteristics calculated on a weighted average basis:
      a. First lien mortgages where borrowers have FICO scores less than 650
      b. First lien mortgages with loan-to-value ratios greater than 95%
      c. Second lien mortgages where borrowers have FICO scores less than 675
      d. Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650

As of December 31, 2012, the portfolio contains $71,106 of unrealized losses from subprime mortgage backed securities resulting from changes in asset values. The Company continues to monitor delinquency rates of securities collateralized with subprime mortgages and the potential losses in comparison to expected recoveries.

2. Direct exposure for investments in subprime mortgage loans – None to report.

3. Direct Exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary-Impairment Losses Recognized
a. Residential mortgage-backed securities	$ 333,091	$ 261,992	$ 261,985	$ -
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investment in SCAs	-	-	-	-
f. Other Assets	-	-	-	-
g. Total	$ 333,091	$ 261,992	$ 261,985	$ -

4. Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage – None to Report.

22. Events Subsequent – None to report. Subsequent events have been considered through February 12, 2013.

23. Reinsurance

(A) Unsecured Reinsurance Recoverables

The Company has an unsecured aggregate recoverable for losses, loss adjustment expenses and unearned premiums that exceeds 3% of surplus from the following reinsurers:

	NAIC #	FEIN #	Amount
The National Mutual Ins Co	20184	34-4312510	$ 7,419,520
Toa Reinsurance Company of America	42439	13-2918573	$ 1,833,777
QBE Reinsurance Corp	10219	23-1641984	$ 916,889

(B) Reinsurance Recoverable in Dispute - None to report.

(C) Reinsurance Assumed and Ceded

(1) The following table presents the maximum amount of return commission which would be due to or from reinsurers in the event all reinsurance contracts were canceled as of December 31, 2012, with a return of the unearned premium reserve.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$ 20,203,400	$ 3,291,398	$ 20,405,876	$ 3,081,619	$ (202,475)	$ 209,779
b. All Other	22,306	6,684	252,616	59,094	(230,310)	(52,410)
c. Total	$ 20,225,706	$ 3,298,082	$ 20,658,492	$ 3,140,713	$ (432,786)	$ 157,368

d. Direct Unearned Premium Reserve $ 19,440,041

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements are accrued as follows:

Reinsurance	Direct	Assumed	Ceded	Net
a. Contingent Commissions	$ 278,027	$ 246,542	$ 259,501	$ 265,068
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commissions Arrangements	-	(6,674)	18,526	(25,200)
d. Total	$ 278,027	$ 239,868	$ 278,027	$ 239,868

NOTES TO FINANCIAL STATEMENTS

(D) Uncollectible Reinsurance - None to report.

(E) Commutation of Ceded Reinsurance - None to report.

(F) Retroactive Reinsurance - None to report.

(G) Reinsurance Accounted for as a Deposit - None to report.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination - None to report.

25. Change in Incurred Losses and Loss Adjustment Expenses

The estimated cost of incurred losses and loss adjustment expenses attributable to insured events of prior years resulted in decreases in incurred losses of approximately $1,304,000 in 2012 and $1,424,000 in 2011. These changes resulted from ongoing revisions of reserve estimates as more facts become known, and from settlement amounts that differed from estimated liability amounts.

26. Inter-company Pooling Arrangements

National Mutual Insurance Company (National) acts as the lead company in the reinsurance pooling agreement with the affiliated companies listed below; each is shown with its pool participation percentages.

The pool participation percentages remain unchanged from the prior year, and currently are:

NAIC #	Company	Percent
20176	Celina Mutual Insurance Company	36%
20182	National Mutual Insurance Company	34%
16764	Miami Mutual Insurance Company	30%

All lines of business are included in the pooling agreement and are ceded to National, the lead company. Facultative and umbrella reinsurance is ceded on an individual company basis to non-affiliated reinsurers prior to pooling. Premiums for excess of loss and catastrophe treaties, where all pool companies are named participants, are ceded to non-affiliated reinsurers by National after the initial assumption of pooled business. Ceded losses are specifically identified and recorded in each company and catastrophe losses ceded in excess of the aggregate retention are allocated to company based on subject incurred losses.

There are no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the lead company and corresponding entries on the assumed and ceded reinsurance schedules of other pool participants. At December 31, 2012, the Company recorded a $512,480 net balance payable to National for pooling of premiums, commissions, losses and loss adjustment expenses.

27. Structured Settlements

The Company has settled certain losses with annuities, on which claimants are payees, in settlement of claims under the Company's policies. The Company has obtained releases from the respective claimants, acknowledging that receipt of the structured settlement under each annuity is full payment of the claim. The Company has no contingent liability for these annuities since ownership has been transferred to another insurance company.

28. Health Care Receivables - None to report.

29. Participating Policies - None to report.

30. Premium Deficiency Reserves

The Company has determined it has no premium deficiency reserves and does not consider anticipated investment income in the calculation. The most recent calculation was performed as of 12/31/2012.

31. High Deductibles - None to report.

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

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

NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?
Yes (X) No ( )

The Company's exposure to asbestos losses arises from the sale of general liability insurance.

The Company tries to estimate the full impact of asbestos exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience.

Asbestos related losses (including coverage dispute costs) for each of the five most recent calendar years, based upon the Company's current pool participation percentage, were as follows:

1. Direct

	2008	2009	2010	2011	2012
a. Beginning Reserves:	$ -	$ -	$ -	$ 1,800	$ 4,500
b. Incurred losses and loss adjustment expenses:	(776)	-	2,904	5,223	3,661
c. Calendar year payments for losses and loss adjustment expenses:	(776)	-	1,104	2,523	2,761
d. Ending reserves:	$ -	$ -	$ 1,800	$ 4,500	$ 5,400

2. Assumed Reinsurance

	2008	2009	2010	2011	2012
a. Beginning Reserves:	$ -	$ -	$ -	$ -	$ -
b. Incurred losses and loss adjustment expenses:	-	-	-	-	-
c. Calendar year payments for losses and loss adjustment expenses:	-	-	-	-	-
d. Ending reserves:	$ -	$ -	$ -	$ -	$ -

3. Net of Ceded Reinsurance

	2008	2009	2010	2011	2012
a. Beginning Reserves:	$ -	$ -	$ -	$ 1,800	$ 4,500
b. Incurred losses and loss adjustment expenses:	(776)	-	2,904	5,223	3,661
c. Calendar year payments for losses and loss adjustment expenses:	(776)	-	1,104	2,523	2,761
d. Ending reserves:	$ -	$ -	$ 1,800	$ 4,500	$ 5,400

B. State the amount of ending reserves held for Bulk + IBNR included in A (Case, Bulk + IBNR):

1. Direct Basis:	$ -
2. Assumed Reinsurance Basis:	$ -
3. Net of Ceded Reinsurance Basis:	$ -

C. State the amount of ending reserves held for loss adjustment expenses included in A (Case, Bulk + IBNR):

1. Direct Basis:	$ -
2. Assumed Reinsurance Basis:	$ -
3. Net of Ceded Reinsurance Basis:	$ -

NOTES TO FINANCIAL STATEMENTS

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?
Yes (X) No ( )

The Company's exposure to environmental losses arises primarily from the sale of general liability insurance.

The Company tries to estimate the full impact of environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience.

Environmental related losses (including coverage dispute costs) for each of the five most recent calendar years, based upon the Company's current pool participation percentage, were as follows:

1. Direct

	2008	2009	2010	2011	2012
a. Beginning Reserves:	$ -	$ 70,200	$ 12,600	$ 10,298	$ 6,365
b. Incurred losses and loss adjustment expenses:	70,351	(24,527)	(763)	(3,133)	403
c. Calendar year payments for losses and loss adjustment expenses:	151	33,073	1,539	800	296
d. Ending reserves:	$ 70,200	$ 12,600	$ 10,298	$ 6,365	$ 6,472

2. Assumed Reinsurance

	2008	2009	2010	2011	2012
a. Beginning Reserves:	$ -	$ -	$ -	$ -	$ -
b. Incurred losses and loss adjustment expenses:	-	-	-	-	-
c. Calendar year payments for losses and loss adjustment expenses:	-	-	-	-	-
d. Ending reserves:	$ -	$ -	$ -	$ -	$ -

3. Net of Ceded Reinsurance

	2008	2009	2010	2011	2012
a. Beginning Reserves:	$ -	$ 70,200	$ 12,600	$ 10,298	$ 6,365
b. Incurred losses and loss adjustment expenses:	70,351	(24,527)	(763)	(3,133)	403
c. Calendar year payments for losses and loss adjustment expenses:	151	33,073	1,539	800	296
d. Ending reserves:	$ 70,200	$ 12,600	$ 10,298	$ 6,365	$ 6,472

B. State the amount of ending reserves held for Bulk + IBNR included in A (Case, Bulk + IBNR):

1. Direct Basis:	$ -
2. Assumed Reinsurance Basis:	$ -
3. Net of Ceded Reinsurance Basis:	$ -

C. State the amount of ending reserves held for loss adjustment expenses included in A (Case, Bulk + IBNR):

1. Direct Basis:	$ -
2. Assumed Reinsurance Basis:	$ -
3. Net of Ceded Reinsurance Basis:	$ -

34. Subscriber Savings Accounts - None to report.

35. Multiple Peril Crop Insurance - None to report.

36. Financial Guaranty Insurance – None to report.