

ANNUAL STATEMENT

OF THE

Ohio FAIR Plan Underwriting Association

of Columbus

in the state of Ohio

TO THE

Insurance Department

OF THE

Ohio Department of Insurance

FOR THE YEAR ENDED

December 31, 2012

PROPERTY AND CASUALTY

2012



32573201220100100

ANNUAL STATEMENT

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

Ohio FAIR Plan Underwriting Association

NAIC Group Code 0000 32573 NAIC Company Code 32573 Employer's ID Number 23-7024436
Organized under the Laws of OHIO, State of Domicile or Port of Entry OHIO
Country of Domicile UNITED STATES
Incorporated/Organized October 25, 1968 Commenced Business June 1, 1974
Statutory Home Office 2500 CORPORATE EXCHANGE DR., SUITE 250 COLUMBUS, OHIO, US 43231
Main Administrative Office 2500 CORPORATE EXCHANGE DR., SUITE 250 COLUMBUS, OHIO, US 43231
Mail Address 2500 CORPORATE EXCHANGE DR., SUITE 250 COLUMBUS, OHIO, US 43231
Primary Location of Books and Records 2500 CORPORATE EXCHANGE DR., SUITE 250 COLUMBUS, OHIO, US 43231
Internet Web Site Address WWW.OHIOFAIRPLAN.COM
Statutory Statement Contact MICHELLE R. KNODELL 614-839-6446 x. 155
MKNODELL@OHIOFAIRPLAN.COM 614-839-2882

OFFICERS
CHAIRMAN

GENE RICHARD ROBERTS

Table with 2 columns: Name, Title. Rows include NORMAN E. BEAL (PRESIDENT), W. SHAWN BRACE (SECRETARY), NORMAN E. BEAL (TREASURER).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Rows include W. SHAWN BRACE (EXECUTIVE VICE PRESIDENT), DAVID H. CULLER III (VICE PRESIDENT INFORMATION SYSTE), TRACY A. BRININGER (VICE PRESIDENT CLAIMS).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include SAMUEL FOUSE #, ARTHUR NORMAN #, JENNIFER KEEFER, JASON RICHARDSON #, JOEL KRATZER, GENE RICHARD ROBERTS, TERRY LEE McCLASKEY JR., MARTY SKIDMORE.

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.

Signature and Title table for Gene Richard Roberts, Norman E. Beal, and W. Shawn Brace.

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

- a. Is this an original filing? [X] 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)	450,000		450,000	
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 (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 (\$ 4,373,275, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	4,373,275		4,373,275	4,356,439
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)	4,823,275		4,823,275	4,356,439
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,480		1,480	651
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,418,709	12,480	3,406,229	2,719,260
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				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	162,521	162,521		
21. Furniture and equipment, including health care delivery assets (\$ 0)	208,895	208,895		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	13,342,128	2,624,962	10,717,166	11,424,588
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	21,957,008	3,008,858	18,948,150	18,500,938
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	21,957,008	3,008,858	18,948,150	18,500,938

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. Earned But Unbilled Assessments	10,597,669		10,597,669	11,352,030
2502. Intangible Pension Asset	2,624,962	2,624,962		
2503. Accounts Receivable - MSI	119,497		119,497	72,558
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	13,342,128	2,624,962	10,717,166	11,424,588

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	4,192,068	4,722,310
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)	482,088	543,066
4. Commissions payable, contingent commissions and other similar charges	260,906	235,745
5. Other expenses (excluding taxes, licenses and fees)	93,804	164,277
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	50,504	42,570
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
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 \$ 0 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	13,014,661	11,487,582
10. Advance premium	524,932	463,103
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	137	628
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		
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	3,337,908	3,365,247
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	21,957,008	21,024,528
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	21,957,008	21,024,528
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	(3,008,858)	(2,523,590)
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)	(3,008,858)	(2,523,590)
38. Totals (Page 2, Line 28, Col. 3)	18,948,150	18,500,938

DETAILS OF WRITE-IN LINES		
2501. Post Retirement Benefits	2,098,562	1,916,119
2502. Pension Benefit	658,602	617,570
2503. Uncashed Checks	559,152	642,038
2598. Summary of remaining write-ins for Line 25 from overflow page	21,592	189,520
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,337,908	3,365,247
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	NONE	
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	NONE	
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	23,196,489	22,495,944
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	18,410,985	17,522,019
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	3,479,265	3,396,023
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	6,609,242	7,028,834
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	28,499,492	27,946,876
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(5,303,003)	(5,450,932)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,421	10,163
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		
11. Net investment gain (loss) (Lines 9 + 10)	3,421	10,163
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)	(70,071)	10,566
13. Finance and service charges not included in premiums	94,179	86,538
14. Aggregate write-ins for miscellaneous income	5,275,474	5,343,665
15. Total other income (Lines 12 through 14)	5,299,582	5,440,769
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)		
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)		
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)		
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	(2,523,590)	(1,993,244)
22. Net income (from Line 20)		
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(485,268)	(530,346)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
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		
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)	(485,268)	(530,346)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	(3,008,858)	(2,523,590)

DETAILS OF WRITE-IN LINES		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page	NONE	
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401. Net effect of change in EUBB	5,245,638	5,325,004
1402. MSI Adjustment Services	29,836	18,661
1403. Miscellaneous Income		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	5,275,474	5,343,665
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	NONE	
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	24,103,655	22,026,015
2. Net investment income	2,592	12,171
3. Miscellaneous income	5,299,582	5,419,633
4. Total (Lines 1 through 3)	29,405,829	27,457,819
5. Benefit and loss related payments	18,941,227	17,969,202
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	10,044,425	10,299,854
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	28,985,652	28,269,056
11. Net cash from operations (Line 4 minus Line 10)	420,177	(811,237)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
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		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds	450,000	
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	450,000	
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)	(450,000)	
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		
16.6 Other cash provided (applied)	46,659	938,023
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	46,659	938,023
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)	16,836	126,786
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,356,439	4,229,653
19.2 End of year (Line 18 plus Line 19.1)	4,373,275	4,356,439

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	5,739,995	2,701,228	2,958,302	5,482,921
2. Allied lines	2,072,732	900,705	1,068,677	1,904,760
3. Farmowners multiple peril				
4. Homeowners multiple peril	16,860,894	7,862,451	8,963,913	15,759,432
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	40,107	19,435	19,408	40,134
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	9,840	3,763	4,361	9,242
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
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	24,723,568	11,487,582	13,014,661	23,196,489

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	2,958,302				2,958,302
2. Allied lines	1,068,677				1,068,677
3. Farmowners multiple peril					
4. Homeowners multiple peril	8,963,913				8,963,913
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	19,408				19,408
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	4,361				4,361
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
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	13,014,661				13,014,661
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					13,014,661

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	4,004,983			4,004,983	707,500	1,055,913	3,656,570	66.690
2. Allied lines	3,099,743			3,099,743	568,164	224,722	3,443,185	180.767
3. Farmowners multiple peril								
4. Homeowners multiple peril	11,817,344			11,817,344	2,915,404	3,440,675	11,292,073	71.653
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								
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	19,157			19,157	1,000	1,000	19,157	207.282
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
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	18,941,227			18,941,227	4,192,068	4,722,310	18,410,985	79.370

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	416,500			416,500	291,000			707,500	81,363
2. Allied lines	458,164			458,164	110,000			568,164	65,339
3. Farmowners multiple peril									
4. Homeowners multiple peril	2,117,404			2,117,404	798,000			2,915,404	335,271
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)									
15. Other accident and health								(a)	
16. Workers' compensation									
17.1 Other liability—occurrence									
17.2 Other liability—claims-made									
17.3 Excess workers' compensation									
18.1 Products liability—occurrence									
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft					1,000			1,000	115
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
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	2,992,068			2,992,068	1,200,000			4,192,068	482,088
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	803,307			803,307
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	803,307			803,307
2. Commission and brokerage:				
2.1 Direct, excluding contingent		2,850,703		2,850,703
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent				
2.4 Contingent—direct				
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)		2,850,703		2,850,703
3. Allowances to manager and agents				
4. Advertising	4,165	5,895		10,060
5. Boards, bureaus and associations	32,484	45,980		78,464
6. Surveys and underwriting reports		278,792		278,792
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	1,285,511	1,788,409		3,073,920
8.2 Payroll taxes	82,610	123,694		206,304
9. Employee relations and welfare	677,780	663,509		1,341,289
10. Insurance	12,270	12,166		24,436
11. Directors' fees				
12. Travel and travel items	43,701	26,361		70,062
13. Rent and rent items	79,427	112,539		191,966
14. Equipment	69,493	56,014		125,507
15. Cost or depreciation of EDP equipment and software	111,495	137,589		249,084
16. Printing and stationery	44,908	37,400		82,308
17. Postage, telephone and telegraph, exchange and express	95,109	126,079		221,188
18. Legal and auditing	50,534	73,468		124,002
19. Totals (Lines 3 to 18)	2,589,487	3,487,895		6,077,382
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0		86,349		86,349
20.2 Insurance department licenses and fees		13,000		13,000
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		99,349		99,349
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	86,471	171,295	12	257,778
25. Total expenses incurred	3,479,265	6,609,242	12	(a) 10,088,519
26. Less unpaid expenses—current year	482,088	407,549		889,637
27. Add unpaid expenses—prior year	543,066	426,255		969,321
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)	3,540,243	6,627,948	12	10,168,203

DETAILS OF WRITE-IN LINES				
2401. Data Processing	86,471	121,850		208,321
2402. Bank Charges		49,445	12	49,457
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	86,471	171,295	12	257,778

(a) Includes management fees of \$ 0 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)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,126	1,797
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
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) 1,478	1,636
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	2,604	3,433
11. Investment expenses		(g) 12
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
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)		12
17. Net investment income (Line 10 minus Line 16)		3,421

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 \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 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)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
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)					

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	12,480	17,707	5,227
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	162,521	137,685	(24,836)
21. Furniture and equipment, including health care delivery assets	208,895	237,306	28,411
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	2,624,962	2,130,892	(494,070)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,008,858	2,523,590	(485,268)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	3,008,858	2,523,590	(485,268)

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. Pension Benefit	2,624,962	2,082,016	(542,946)
2502. Prepaid Insurance		48,876	48,876
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,624,962	2,130,892	(494,070)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Ohio FAIR Plan Underwriting Association are presented on a basis of accounting practices prescribed or permitted by the Ohio Department of Insurance, which is in accordance with the NAIC Accounting Practices and Procedures manual.

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

The preparation of financial statement 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

Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bond investments are stated at cost.
- (3-9) Not applicable
- (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 for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12-13) Not applicable

2. Accounting Changes and Corrections of Errors

- A. No material changes or corrections of errors were found during the preparation of the current year's financial statement.
- B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of OHIO. Effective January 1, 2001, the State of OHIO required that insurance companies domiciled in the State of OHIO prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the State of OHIO insurance commissioner.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

Not applicable

8. Derivative Instruments

Not applicable

9. Income Taxes

The Association is treated as a partnership for federal income tax purposes. As such, federal income taxes, if any, are payable by member insurance companies, and a provision for a federal income tax is not reflected in the accompanying financial statements.

10. Information Concerning Parent, Subsidiaries and Affiliates

Not applicable

11. Debt

A. Capital Notes

Not applicable

B. All Other Debt

Not applicable

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

Postretirement Benefits Plan

A. Defined Benefit Plans

The Company sponsors a non-contributory defined benefit pension plan covering its employees. As of December 31, 2012 the Company accrued in accordance with the actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefits Plans are as follows at December 31, 2012 and 2011.

	Pension Benefits		Other Benefits	
	2012	2011	2012	2011
(1) Change in benefit obligation				
a. Benefit obligation at beginning of year	\$8,460,073	\$7,594,570	\$2,930,293	\$2,178,677
b. Service cost	\$ 195,269	\$ 276,489	\$ 159,835	\$ 512,697
c. Interest cost	\$ 419,959	\$ 402,306	\$ 115,628	\$ 116,536
d. Contribution by plan participants	\$ 0	\$ 0	\$ 0	\$ 0
e. Actuarial gain (loss)	\$1,438,009	\$ 403,532	\$ (176,895)	\$ 231,711
f. Foreign currency exchange rate changes	\$ 0	\$ 0	\$ 0	\$ 0
g. Benefits paid	\$ (258,585)	\$ (216,824)	\$ (110,310)	\$ (109,328)
h. Plan amendments	\$ 0	\$ 0	\$ 0	\$ 0
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$ 0	\$ 0	\$ 0	\$ 0
j. Benefit obligation at end of year	\$10,254,725	\$8,460,073	\$2,918,551	\$2,930,293
(2) Change in plan assets				
a. Fair value of plan assets at beginning of year	\$7,074,795	\$6,275,839	\$ 0	\$ 0
b. Actual return on plan assets	\$ 996,019	\$ 194,456	\$ 0	\$ 0
c. Foreign currency exchange rate changes	\$ 0	\$ 0	\$ 0	\$ 0
d. Employer contribution	\$ 853,420	\$ 821,324	\$ 110,310	\$ 109,328
e. Plan participants' contribution	\$ 0	\$ 0	\$ 0	\$ 0
f. Benefits paid	\$ (258,585)	\$ (216,824)	\$ (110,310)	\$ (109,328)
g. Business combinations, divestitures and settlements	\$ 0	\$ 0	\$ 0	\$ 0
h. Fair value of plan assets at end of year	\$8,665,649	\$7,074,795	\$ 0	\$ 0

NOTES TO FINANCIAL STATEMENTS

(3) Funded status				
a. Unamortized prior service cost	\$ 0	\$ 0	\$ (16,735)	\$ (18,616)
b. Unrecognized net gain or (loss)	\$3,555,436	\$2,849,724	\$ 836,724	\$1,032,790
c. Remaining net obligation or net asset at Initial date of application	\$ 0	\$ 0	\$ 0	\$ 0
d. Prepaid assets or accrued liabilities	\$ (658,602)	\$ (617,570)	\$ 0	\$ 0
e. Intangible asset	\$ 0	\$ 0	\$ 0	\$ 0
(4) Benefit obligation for vested employees	\$10,254,725	\$8,460,073	\$2,918,551	\$2,930,293
(5) Benefit obligation for non-vested employees				
a. Project pension obligation	\$ 132,535	\$ 58,823	\$1,774,884	\$1,870,376
b. Accumulated benefit obligation	\$ 89,130	\$ 41,017	\$ 0	\$ 0
(6) Components of net periodic benefit cost				
a. Service cost	\$ 195,269	\$ 276,489	\$ 159,835	\$ 512,697
b. Interest Cost	\$ 419,959	\$ 402,306	\$ 115,628	\$ 116,536
c. Expected return on plan assets	\$ (469,915)	\$ (515,319)	\$ 0	\$ 0
d. Amortization of unrecognized transition Obligation or transition asset	\$ 0	\$ 800	\$ 0	\$ 0
e. Amount of recognized gains and losses	\$ 206,193	\$ 157,461	\$ 19,171	\$ 30,939
f. Amount of prior service cost recognized	\$ 0	\$ 0	\$ (1,881)	\$ (1,881)
g. Amount of gain or loss recognized due To a settlement or curtailment	\$ 0	\$ 0	\$ 0	\$ 0
h. Total net periodic benefit cost	\$ 351,506	\$ 321,737	\$ 292,753	\$ 658,291

- (7) A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, less allowable intangible assets, net of tax benefits, is reported as income in the Income Statement. At December 31, 2012 and 2011, the additional minimum pension liability was \$2,624,962 and \$2,082,016, respectively.

(8) Weighted-average assumptions used to determine net periodic benefit costs as of Dec. 31:	2012	2011	2012	2011
a. Discount rate	5.00%	5.50%	4.00%	4.75%
b. Expected long-term rate of return on Plan assets	6.50%	8.00%	N/A	N/A
c. Rate of compensation increase	3.00%	3.00%	3.00%	3.00%
Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:				
a. Discount rate	4.00%	5.00%	4.00%	4.75%
b. Rate of compensation increase	3.00%	3.00%	3.00%	3.00%

For measurement purposes, a 9.0% percent annual rate of increase in the per capita cost of covered health care benefits was assumed for the year ending December 31, 2012. The rate was assumed to decrease gradually to 5.0% percent until 2020 and remain at that level thereafter.

- (9) A measurement date of December 31, 2012 was used to determine the above.
- (10) The company has multiple non-pension postretirement benefits plans. The health care plans are contributory, with participants' contributions adjusted annually; the life insurance plan is noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the company's expressed intent to change retiree contributions each year to coincide with changes in employees contributions.
- (11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$ 40,119	\$ (33,452)
b. Effect on postretirement benefit obligation	\$ 391,420	\$ (328,743)

NOTES TO FINANCIAL STATEMENTS

(12) The defined benefit pension plan asset allocation as of the measurement date, December 31, 2012, and the target asset allocation, presented as a percentage of total plan assets were as follows:

	<u>PLAN ASSETS</u>		
	<u>Target</u>	<u>2012</u>	<u>2011</u>
Equity securities	60.0%	51.4%	50.8%
Debt securities	40.0%	45.4%	46.7%
Cash	0.0%	3.2%	2.5%

The expected long-term rate of return on assets assumption is 6.50%. As defined under Accounting Standards Codification 715-30, this assumption represents the rate of return on plan assets reflecting the average rate of earning expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the invested portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

(13) Estimated future benefit payments, which reflect expected future service as appropriate, are expected to be as follows:

YEAR ENDED	PENSION	GROUP MEDICAL AND
<u>DECEMBER 31,</u>	<u>TRUST</u>	<u>LIFE PLANS</u>
2013	\$ 434,166	\$ 122,896
2014	\$ 462,720	\$ 126,097
2015	\$ 470,092	\$ 139,261
2016	\$ 486,885	\$ 150,019
2017	\$ 495,554	\$ 166,635
Thereafter Total	\$2,704,482	\$1,082,055

(14) The Association expects to contribute \$394,752 to its pension plan and \$122,896 to its group medical and life plans in 2013. The expected 2013 pension contribution does not include any "catch-up" contribution.

(15) Not applicable

(16) Not applicable

(17) Not applicable

(18) Not applicable

(19) Not applicable

B. Defined Contribution Plan

Insurance company employees are covered by a qualified defined contribution pension plan sponsored by the Association.

Contributions of up to 100% of 6 percent of each employee's compensation are made each year. The Company's contribution for the plan was \$139,167 and \$134,704 for 2012 and 2011, respectively. At December 31, 2012, the fair value of plan assets was \$3,934,354.

C. Multiemployer Plans:

Not applicable

D. Consolidated/Holding Company Plans

Not applicable

E. Postemployment Benefits and Compensated Absences

Not applicable

F. Impact of Medicare Modernization Act on Postretirement Benefits

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) was signed into law in December of 2003. The Act includes the following two new features to Medicare Part D that could affect the measurement of the accumulated postretirement benefit obligation (APBO) and net periodic postretirement cost for the Plan:

NOTES TO FINANCIAL STATEMENTS

- A federal subsidy, which is not taxable, to sponsors of retiree healthcare benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D; and
- The opportunity for a retiree to obtain a prescription drug benefit under Medicare.

The Company is unable to conclude whether the benefits provided by the Plan are actuarially equivalent to Medicare Part D under the Act. As a result, the effects of the Act on accumulated postretirement benefit obligation are not reflected in the financial statement or accompanying notes.

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

Not applicable

14. Contingencies

Not applicable

15. Leases

A. Operating Lease

(1) The association leases office space and equipment under lease agreements that expire at various intervals over the next four years and are subject to renewal options at market rates prevailing at the time of renewal. Rental expense under the operating lease for 2012 and 2011 was \$191,965 and \$195,528, respectively, and is net of amounts allocated to OMSIUA

(2) Future minimum lease payments under all operating lease agreements are as follows:

<u>YEAR ENDING</u> <u>DECEMBER 31,</u>	
2013	\$ 214,730
2014	\$ 199,323
2015	\$ 102,804
2016	\$ 9,851
2017	\$ 7,388
Total	<u>\$ 534,096</u>

(3) The company is not involved in any material sales – leaseback transactions.

B. Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

19. Direct Premium Written/Produced by managing General Agents/Third party Administrators

Not applicable

20. Fair Value Measurements

Not required per NAIC Disclosure Note B

21. Other Items

Not applicable

22. Events Subsequent

There were no events occurring subsequent to December 31, 2012 through the date of this filing meriting disclosure.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by approximately \$185,000 and decreased by \$832,000 in 2012 and 2011, respectively, for claims that occurred in prior years. The increase in 2012 resulted from settling case-basis reserves established in prior years for amounts that were more than expected, in part, due to a change in the reserving policy that was implemented in 2011. In addition, due to a couple of catastrophic events in 2011, the Association was forced to use outside adjusting services because of a staffing restriction that resulted in higher adjusting expenses than anticipated.

Because of the nature of the business written over the years, management believes that the Association has limited exposure to environmental claim liabilities.

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable

28. Health Care Receivables

Not applicable

29. Participating Policies

Not applicable

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$ 0.00
2. Date of the most recent evaluation of this liability	1/30/2013
3. Was anticipated investment income utilized in the calculation	No

31. High Deductibles

Not applicable

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

Not applicable

33. Asbestos/Environment Reserves

Not applicable

34. Subscriber Savings Accounts

Not applicable

35. Multiple Peril Crop Insurance

Not applicable

36. Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 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 [X]
- 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 [X]
- 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 [X]
- 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). _____ 05/17/2011 _____
- 3.4 By what department or departments?
Ohio Department of Insurance
.....
.....
.....
- 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 [X] No [] N/A []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X]
- 4.12 renewals? Yes [] No [X]
- 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 [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 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 [X]

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?

Skoda Minotti & Co., 6685 Beta Dr., Mayfield Village, OH 44143

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?

William Hansen, FCAS, MAAA, Oliver & Wyman Consulting Actuaries, 325 John H. McConnell Blvd., Ste. 350, Columbus, OH 43215

.....

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:
 Actual certificates are held in safe keeping by J.P. Morgan Chase Bank, N.A.

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 [] No [X]

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 \$ _____
- 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
J.P. Morgan Chase Bank, N.A.	100 East Broad St., 10th Floor, Columbus OH 43215
.....

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
.....
.....

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
00443	Chase Investment Securities Corp.	100 East Broad St., 10th Floor, Columbus, OH 432
.....

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

29.2 If yes, complete the following schedule:

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

GENERAL INTERROGATORIES

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	450,000	450,000	
30.2 Preferred stocks			
30.3 Totals	450,000	450,000	

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

Fair market value determined by Chase Investment Securities Corp.

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 [X] 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 [X] 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 [X] 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? \$ 90,367

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
ISO Commercial Risk Services, Inc.	\$ 73,867
Property Insurance Plans Service Office	\$ 16,500
	\$

34.1 Amount of payments for legal expenses, if any? \$ 60,576

GENERAL INTERROGATORIES

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
Crabbe, Brown & James	\$ 60,576
.....	\$
.....	\$

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 [X]

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

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 [X]

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?
 N/A

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:
 N/A

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:
 N/A
- 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?
 N/A
- 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
 Assessment of Member Companies
- 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 [] No [X]
- 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 [X] No []
 (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 [X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [] No [X]
- 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 [X]
- 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 [X]
- 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): \$ 1,500,000
- 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 [X]
- 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 [X]
- 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:
 N/A

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

- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:
- | | | 1
Direct Losses
Incurred | 2
Direct Losses
Unpaid | 3
Direct Written
Premium | 4
Direct Premium
Unearned | 5
Direct Premium
Earned |
|------------------|----|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home | \$ | _____ | _____ | _____ | _____ | _____ |
| 16.12 Products | \$ | _____ | _____ | _____ | _____ | _____ |
| 16.13 Automobile | \$ | _____ | _____ | _____ | _____ | _____ |
| 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)	40,107	39,583	42,069	47,163	49,382
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,822,567	7,126,940	7,184,822	6,184,227	6,573,554
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	16,860,894	15,160,522	15,155,792	14,473,362	15,587,229
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	24,723,568	22,327,045	22,382,683	20,704,752	22,210,165
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)	40,107	39,583	42,069	47,163	49,382
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,822,567	7,126,940	7,184,822	6,184,227	6,573,554
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	16,860,894	15,160,522	15,155,792	14,473,362	15,587,229
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	24,723,568	22,327,045	22,382,683	20,704,752	22,210,165
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(5,303,003)	(5,429,796)	(6,225,985)	(8,146,342)	(9,324,720)
14. Net investment gain (loss) (Line 11)	3,421	10,163	15,085	17,820	159,050
15. Total other income (Line 15)	5,299,582	5,419,633	6,210,900	8,128,522	9,165,670
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)					
18. Net income (Line 20)					
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	18,948,150	18,500,938	19,302,410	19,036,282	23,927,191
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	3,406,229	2,719,260	2,485,332	2,014,075	2,160,780
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	21,957,008	21,024,528	21,295,654	20,919,552	26,737,991
22. Losses (Page 3, Line 1)	4,192,068	4,722,310	5,169,493	6,031,632	9,685,429
23. Loss adjustment expenses (Page 3, Line 3)	482,088	543,066	594,491	643,638	963,824
24. Unearned premiums (Page 3, Line 9)	13,014,661	11,487,582	11,656,481	10,552,901	11,225,273
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	(3,008,858)	(2,523,590)	(1,993,244)	(1,883,270)	(2,810,800)
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	420,177	(782,764)	336,736	(4,451,115)	(3,571,365)
Risk-Based Capital Analysis					
28. Total adjusted capital	(3,008,859)	(2,523,590)	(1,993,244)	(1,883,270)	(2,810,800)
29. Authorized control level risk-based capital	2,710,476	2,966,743	2,770,306	2,741,085	2,806,517
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)	9.3				
31. Stocks (Lines 2.1 & 2.2)					
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)	90.7	100.0	100.0	100.0	100.0
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)					
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)					
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(485,268)	(530,346)	(109,974)	927,530	(1,853,222)
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)		1,623	7,500		
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,123,883	7,036,842	6,710,416	9,132,495	8,558,322
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	11,817,344	10,930,737	11,954,595	14,625,641	17,018,744
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	18,941,227	17,969,202	18,672,511	23,758,136	25,577,066
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)		1,623	7,500		
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,123,883	7,036,842	6,710,416	9,132,495	8,558,322
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	11,817,344	10,930,737	11,954,595	14,625,641	17,018,744
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	18,941,227	17,969,202	18,672,511	23,758,136	25,577,066
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)	79.4	77.9	83.7	94.0	98.1
68. Loss expenses incurred (Line 3)	15.0	15.1	15.3	15.2	15.0
69. Other underwriting expenses incurred (Line 4)	28.5	31.2	30.3	28.9	26.0
70. Net underwriting gain (loss) (Line 8)	(22.9)	(24.1)	(29.3)	(38.1)	(39.0)
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)	5.3	7.1	1.1	(9.4)	(13.4)
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	94.4	93.0	99.0	109.2	113.1
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)	(821.7)	(884.7)	(1122.9)	(1099.4)	(790.2)
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)	113	(832)	(203)	(47)	(1,125)
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)	(4.5)	41.7	10.8	1.7	117.5
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)	(950)	(422)	(526)	(1,839)	3,349
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)	47.7	22.4	18.7	192.0	(379.6)

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 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X								X X X	
2. 2003	23,890		23,890	16,695		371		2,091		124	19,157	X X X
3. 2004	32,381		32,381	27,366		619		2,451		264	30,436	X X X
4. 2005	34,207		34,207	24,864		480		2,442		74	27,786	X X X
5. 2006	31,756		31,756	22,424		712		2,504		410	25,640	X X X
6. 2007	28,354		28,354	23,920		329		2,783		125	27,032	X X X
7. 2008	23,886		23,886	25,157		274		3,585		67	29,016	X X X
8. 2009	21,377		21,377	20,364		170		3,017		39	23,551	X X X
9. 2010	21,279		21,279	17,246		276		2,902		23	20,424	X X X
10. 2011	22,496		22,496	18,582		187		3,223		199	21,992	X X X
11. 2012	23,196		23,196	14,548		61		2,727		13	17,336	X X X
12. Totals	X X X	X X X	X X X	211,166		3,479		27,725		1,338	242,370	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 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 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	151				1			16				168	X X X
9. 2010	33				2			4				39	X X X
10. 2011	90				1			7				98	X X X
11. 2012	2,718		1,200		58		25	368				4,369	X X X
12. Totals	2,992		1,200		62		25	395				4,674	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 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 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	19,157		19,157	80.188		80.188					
3. 2004	30,436		30,436	93.993		93.993					
4. 2005	27,786		27,786	81.229		81.229					
5. 2006	25,640		25,640	80.741		80.741					
6. 2007	27,032		27,032	95.338		95.338					
7. 2008	29,016		29,016	121.477		121.477					
8. 2009	23,719		23,719	110.956		110.956				151	17
9. 2010	20,463		20,463	96.165		96.165				33	6
10. 2011	22,090		22,090	98.195		98.195				90	8
11. 2012	21,705		21,705	93.572		93.572				3,918	451
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	4,192	482

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	1,344	1,178	1,153	1,171	1,171	1,171	1,171	1,171	1,171	1,171		
2. 2003	17,217	17,040	17,033	17,066	17,066	17,066	17,066	17,066	17,066	17,066		
3. 2004	XXX	27,153	27,932	27,928	27,985	27,985	27,985	27,985	27,985	27,985		
4. 2005	XXX	XXX	25,090	24,990	25,344	25,344	25,344	25,344	25,344	25,344		
5. 2006	XXX	XXX	XXX	20,400	23,129	23,338	23,136	23,136	23,136	23,136		
6. 2007	XXX	XXX	XXX	XXX	26,696	25,362	24,850	24,334	24,249	24,249		(85)
7. 2008	XXX	XXX	XXX	XXX	XXX	24,983	25,650	25,687	25,532	25,431	(101)	(256)
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	20,378	20,654	20,675	20,686	11	32
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,198	17,585	17,557	(28)	(641)
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,629	18,860	231	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,610	XXX	XXX
12. Totals											113	(950)

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	752	1,107	1,171	1,171	1,171	1,171	1,171	1,171	1,171	XXX	XXX
2. 2003	11,034	16,285	16,742	17,066	17,066	17,066	17,066	17,066	17,066	17,066	XXX	XXX
3. 2004	XXX	18,012	26,782	27,744	27,985	27,985	27,985	27,985	27,985	27,985	XXX	XXX
4. 2005	XXX	XXX	16,845	23,907	25,344	25,344	25,344	25,344	25,344	25,344	XXX	XXX
5. 2006	XXX	XXX	XXX	12,880	20,510	22,142	23,136	23,136	23,136	23,136	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	17,228	23,946	23,842	24,269	24,249	24,249	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	17,698	24,988	25,258	25,431	25,431	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	15,901	20,178	20,416	20,534	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,892	17,121	17,522	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,633	18,769	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,609	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	418											
3. 2004	XXX	823										
4. 2005	XXX	XXX	820									
5. 2006	XXX	XXX	XXX	820	150							
6. 2007	XXX	XXX	XXX	XXX	2,021	200						
7. 2008	XXX	XXX	XXX	XXX	XXX	1,260	70					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	992					
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,173				
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,021			
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		1,225

NONE Schedule Y - Part 1

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

	1	2
	Current Year	Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES		
2504. Refunds Payable	21,592	189,520
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	21,592	189,520

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Assets	2	Schedule E – Verification Between Years	SI15
Cash Flow	5	Schedule F – Part 1	20
Exhibit of Capital Gains (Losses)	12	Schedule F – Part 2	21
Exhibit of Net Investment Income	12	Schedule F – Part 3	22
Exhibit of Nonadmitted Assets	13	Schedule F – Part 4	23
Exhibit of Premiums and Losses (State Page)	19	Schedule F – Part 5	24
Five-Year Historical Data	17	Schedule F – Part 6 - Section 1	25
General Interrogatories	15	Schedule F – Part 6 - Section 2	27
Jurat Page	1	Schedule F – Part 7	28
Liabilities, Surplus and Other Funds	3	Schedule F – Part 8	29
Notes To Financial Statements	14	Schedule F – Part 9	30
Overflow Page For Write-ins	101	Schedule H – Accident and Health Exhibit – Part 1	31
Schedule A – Part 1	E01	Schedule H – Part 2, Part 3 and Part 4	32
Schedule A – Part 2	E02	Schedule H – Part 5 – Health Claims	33
Schedule A – Part 3	E03	Schedule P – Part 1 – Summary	34
Schedule A – Verification Between Years	SI02	Schedule P – Part 1A – Homeowners/Farmowners	36
Schedule B – Part 1	E04	Schedule P – Part 1B – Private Passenger Auto Liability/Medical	37
Schedule B – Part 2	E05	Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	38
Schedule B – Part 3	E06	Schedule P – Part 1D – Workers' Comp (Excluding Excess Workers' Comp)	39
Schedule B – Verification Between Years	SI02	Schedule P – Part 1E – Commercial Multiple Peril	40
Schedule BA – Part 1	E07	Schedule P – Part 1F – Section 1 – Medical Professional Liability	
Schedule BA – Part 2	E08	– Occurrence	41
Schedule BA – Part 3	E09	Schedule P – Part 1F – Section 2 – Medical Professional Liability	
Schedule BA – Verification Between Years	SI03	– Claims-Made	42
Schedule D – Part 1	E10	Schedule P – Part 1G - Special Liability (Ocean, Marine, Aircraft (All	
Schedule D – Part 1A – Section 1	SI05	Perils), Boiler and Machinery)	43
Schedule D – Part 1A – Section 2	SI08	Schedule P – Part 1H – Section 1 – Other Liability – Occurrence	44
Schedule D – Part 2 – Section 1	E11	Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	45
Schedule D – Part 2 – Section 2	E12	Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule D – Part 3	E13	Earthquake, Burglary & Theft)	46
Schedule D – Part 4	E14	Schedule P – Part 1J – Auto Physical Damage	47
Schedule D – Part 5	E15	Schedule P – Part 1K – Fidelity/Surety	48
Schedule D – Part 6 – Section 1	E16	Schedule P – Part 1L – Other (Including Credit, Accident and Health)	49
Schedule D – Part 6 – Section 2	E16	Schedule P – Part 1M – International	50
Schedule D – Summary By Country	SI04	Schedule P – Part 1N – Reinsurance - Nonproportional Assumed Property	51
Schedule D – Verification Between Years	SI03	Schedule P – Part 1O – Reinsurance - Nonproportional Assumed Liability	52
Schedule DA – Part 1	E17	Schedule P – Part 1P – Reinsurance - Nonproportional Assumed Financial Lines	53
Schedule DA – Verification Between Years	SI10	Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	54
Schedule DB – Part A – Section 1	E18	Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	55
Schedule DB – Part A – Section 2	E19	Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	56
Schedule DB – Part A – Verification Between Years	SI11	Schedule P – Part 1T – Warranty	57
Schedule DB – Part B – Section 1	E20	Schedule P – Part 2, Part 3 and Part 4 - Summary	35
Schedule DB – Part B – Section 2	E21	Schedule P – Part 2A – Homeowners/Farmowners	58
Schedule DB – Part B – Verification Between Years	SI11	Schedule P – Part 2B – Private Passenger Auto Liability/Medical	58
Schedule DB – Part C – Section 1	SI12	Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	58
Schedule DB – Part C – Section 2	SI13	Schedule P – Part 2D – Workers' Comp (Excluding Excess Workers' Comp)	58
Schedule DB - Part D	E22	Schedule P – Part 2E – Commercial Multiple Peril	58
Schedule DB - Verification	SI14	Schedule P – Part 2F – Section 1 – Medical Professional Liability	
Schedule DL - Part 1	E23	– Occurrence	59
Schedule DL - Part 2	E24	Schedule P - Part 2F - Medical Professional Liability - Claims - Made	59
Schedule E – Part 1 – Cash	E25	Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils),	
Schedule E – Part 2 – Cash Equivalents	E26	Boiler and Machinery)	59
Schedule E – Part 3 – Special Deposits	E27	Schedule P – Part 2H – Section 1 – Other Liability – Occurrence	59

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	59	Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	70
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	60	Schedule P – Part 4J – Auto Physical Damage	70
Schedule P – Part 2J – Auto Physical Damage	60	Schedule P – Part 4K – Fidelity/Surety	70
Schedule P – Part 2K – Fidelity, Surety	60	Schedule P – Part 4L – Other (Including Credit, Accident and Health)	70
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	60	Schedule P – Part 4M – International	70
Schedule P – Part 2M – International	60	Schedule P – Part 4N – Reinsurance - Nonproportional Assumed Property	71
Schedule P – Part 2N – Reinsurance - Nonproportional Assumed Property	61	Schedule P – Part 4O – Reinsurance - Nonproportional Assumed Liability	71
Schedule P – Part 2O – Reinsurance - Nonproportional Assumed Liability	61	Schedule P – Part 4P – Reinsurance - Nonproportional Assumed Financial Lines	71
Schedule P – Part 2P – Reinsurance - Nonproportional Assumed Financial Lines	61	Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	72
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	62	Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	72
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	62	Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	72
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	62	Schedule P – Part 4T – Warranty	72
Schedule P – Part 2T – Warranty	62	Schedule P – Part 5A – Homeowners/Farmowners	73
Schedule P – Part 3A – Homeowners/Farmowners	63	Schedule P – Part 5B – Private Passenger Auto Liability/Medical	74
Schedule P – Part 3B – Private Passenger Auto Liability/Medical	63	Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	75
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	63	Schedule P – Part 5D – Workers' Comp (Excluding Excess Workers' Comp)	76
Schedule P – Part 3D – Workers' Comp (Excluding Excess Workers' Comp)	63	Schedule P – Part 5E – Commercial Multiple Peril	77
Schedule P – Part 3E – Commercial Multiple Peril	63	Schedule P – Part 5F – Medical Professional Liability – Claims-Made	79
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	64	Schedule P – Part 5F – Medical Professional Liability – Occurrence	78
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	64	Schedule P – Part 5H – Other Liability – Claims-Made	81
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	64	Schedule P – Part 5H – Other Liability – Occurrence	80
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	64	Schedule P – Part 5R – Products Liability – Claims-Made	83
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	64	Schedule P – Part 5R – Products Liability – Occurrence	82
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	65	Schedule P – Part 5T – Warranty	84
Schedule P – Part 3J – Auto Physical Damage	65	Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	85
Schedule P – Part 3K – Fidelity/Surety	65	Schedule P – Part 6D – Workers' Comp (Excluding Excess Workers' Comp)	85
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	65	Schedule P – Part 6E – Commercial Multiple Peril	86
Schedule P – Part 3M – International	65	Schedule P – Part 6H – Other Liability – Claims-Made	87
Schedule P – Part 3N – Reinsurance - Nonproportional Assumed Property	66	Schedule P – Part 6H – Other Liability – Occurrence	86
Schedule P – Part 3O – Reinsurance - Nonproportional Assumed Liability	66	Schedule P – Part 6M – International	87
Schedule P – Part 3P – Reinsurance - Nonproportional Assumed Financial Lines	66	Schedule P – Part 6N – Reinsurance - Nonproportional Assumed Property	88
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	67	Schedule P – Part 6O – Reinsurance - Nonproportional Assumed Liability	88
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	67	Schedule P – Part 6R – Products Liability – Claims-Made	89
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	67	Schedule P – Part 6R – Products Liability – Occurrence	89
Schedule P – Part 3T – Warranty	67	Schedule P – Part 7A – Primary Loss Sensitive Contracts	90
Schedule P – Part 4A – Homeowners/Farmowners	68	Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	92
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	68	Schedule P Interrogatories	94
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	68	Schedule T – Exhibit of Premiums Written	95
Schedule P – Part 4D – Workers' Comp (Excluding Excess Workers' Comp)	68	Schedule T – Part 2 – Interstate Compact	96
Schedule P – Part 4E – Commercial Multiple Peril	68	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	97
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	68	Schedule Y - Part 1A - Detail of Insurance Holding Company System	98
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	69	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	99
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	69	Statement of Income	4
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	69	Summary Investment Schedule	SI01
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	69	Supplemental Exhibits and Schedules Interrogatories	100
		Underwriting and Investment Exhibit Part 1	6
		Underwriting and Investment Exhibit Part 1A	7
		Underwriting and Investment Exhibit Part 1B	8
		Underwriting and Investment Exhibit Part 2	9
		Underwriting and Investment Exhibit Part 2A	10
		Underwriting and Investment Exhibit Part 3	11