



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012  
OF THE CONDITION AND AFFAIRS OF THE

## Owners Insurance Company

NAIC Group Code 0280 0280 NAIC Company Code 32700 Employer's ID Number 34-1172650  
(Current) (Prior)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio  
Country of Domicile United States of America

Incorporated/Organized 05/13/1975 Commenced Business 12/31/1975

Statutory Home Office 2325 North Cole Street, Lima, OH, US 45801-2305  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 6101 Anacapi Boulevard  
(Street and Number)  
Lansing, MI, US 48917-3968, 517-323-1200  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 30660, Lansing, MI, US 48909-8160  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6101 Anacapi Boulevard  
(Street and Number)  
Lansing, MI, US 48917-3968, 517-323-1200  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.auto-owners.com

Statutory Statement Contact Paul Ray Otto, 517-323-1200  
(Name) (Area Code) (Telephone Number)  
aoacctg@aoins.net, 517-323-8796  
(E-mail Address) (FAX Number)

### OFFICERS

Chairman & CEO Jeffrey Francis Harrold Senior Vice President, Treasurer & CFO Eileen Kay Phaner  
Senior Vice President, Secretary & General Counsel William Finch Woodbury #

### OTHER

Jeffrey Scott Tagsold President Rodney Jay Rupp Executive Vice President Robert Irwin Buchanan Sr. Vice President  
Katherine Maidlow Noiro Sr. Vice President Jonathan Robert Riekse Sr. Vice President Kenneth Richard Schroeder Sr. Vice President  
Daniel Jerome Thelen Sr. Vice President Ian Robert Ward Sr. Vice President

### DIRECTORS OR TRUSTEES

Jeffrey Francis Harrold (CHM) Herman Joseph Arends Katherine Maidlow Noiro  
Jeffrey Scott Tagsold William Finch Woodbury # John William Abbott  
Rodney Jay Rupp Stuart Roy Birn James Franklin Anderton IV  
Ronald Herman Simon Thaddeus Joseph Buda Jr. Mark Edward Hooper  
Roger Lee Looyenga Gregg Lynn Cornell Lori Ann McAllister

State of Michigan SS:  
County of Eaton

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.

Jeffrey S. Tagsold William Finch Woodbury Eileen K. Phaner  
Jeffrey Scott Tagsold William Finch Woodbury Eileen Kay Phaner  
President Senior Vice President, Secretary & General Counsel Senior Vice President, Treasurer & CFO

Subscribed and sworn to before me this 25th day of January, 2013

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

Meredith F. Kretschman  
Meredith F. Kretschman  
Notary  
10/21/2017  
MEREDITH F. KRETSCHEMAN  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF INGHAM  
My Commission Expires Oct. 21, 2017  
Acting in the County of Eaton

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	2,485,406,317		2,485,406,317	2,385,395,302
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	267,544,723		267,544,723	226,374,679
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 \$ encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ encumbrances) .....				
5. Cash (\$ .....21,119,132, Schedule E - Part 1), cash equivalents (\$ ....., Schedule E - Part 2) and short-term investments (\$ ....., Schedule DA) .....	21,119,132		21,119,132	2,149,477
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	20,221,388		20,221,388	12,452,484
9. Receivable 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) .....	2,794,291,559		2,794,291,559	2,626,371,941
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	23,694,925		23,694,925	24,286,136
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	17,462,928	7,225,595	10,237,333	9,419,041
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... (490,749) earned but unbilled premiums) .....	276,853,075		276,853,075	243,928,897
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	7,009,368		7,009,368	5,401,373
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 .....	67,250,268		67,250,268	71,830,102
19. Guaranty funds receivable or on deposit .....	294,570		294,570	310,842
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	291,626		291,626	1,045,561
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	11,785,635		11,785,635	10,458,145
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,198,933,955	7,225,595	3,191,708,360	2,993,052,038
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	3,198,933,955	7,225,595	3,191,708,360	2,993,052,038
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....				
2501. Miscellaneous Assets .....	5,648,427		5,648,427	4,788,643
2502. Equities and Deposits in Pools and Associations .....	4,120,526		4,120,526	3,739,451
2503. Group Annuity .....	1,382,185		1,382,185	1,325,519
2598. Summary of remaining write-ins for Line 25 from overflow page .....	634,498		634,498	604,532
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	11,785,635		11,785,635	10,458,145

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	829,184,390	803,130,843
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) .....	239,304,645	253,916,863
4. Commissions payable, contingent commissions and other similar charges .....	48,484,925	32,642,197
5. Other expenses (excluding taxes, licenses and fees) .....	2,509,200	2,842,388
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	16,014,248	17,857,564
7.1 Current federal and foreign income taxes (including \$ .....310,420 on realized capital gains (losses)) .....	310,420	
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....20,896,425 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	759,197,177	703,415,976
10. Advance premium .....	16,511,395	19,066,628
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	27,842,854	24,170,209
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 .....	5,203,364	4,884,122
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including \$ ..... 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 .....	107,063,350	113,656,770
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	779,579	769,986
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	2,052,405,548	1,976,353,548
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	2,052,405,548	1,976,353,548
29. Aggregate write-ins for special surplus funds .....		10,053,093
30. Common capital stock .....	6,500,000	6,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....	220,998,592	220,998,592
35. Unassigned funds (surplus) .....	911,804,221	779,146,806
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	1,139,302,813	1,016,698,490
38. TOTALS (Page 2, Line 28, Col. 3)	3,191,708,360	2,993,052,038
<b>DETAILS OF WRITE-INS</b>		
2501. Miscellaneous liabilities .....	779,579	769,986
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	779,579	769,986
2901. Additional admitted deferred tax assets .....		10,053,093
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		10,053,093
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	1,464,443,609	1,366,475,187
<b>DEDUCTIONS:</b>		
2. Losses incurred (Part 2, Line 35, Column 7).....	931,057,847	944,313,088
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	98,095,484	123,540,089
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	410,489,287	370,671,866
5. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5).....	1,439,642,619	1,438,525,043
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	24,800,990	(72,049,856)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	93,235,877	95,572,122
10. Net realized capital gains or (losses) less capital gains tax of \$ ..... 2,848,651 (Exhibit of Capital Gains (Losses) ).....	4,829,198	6,325,108
11. Net investment gain (loss) (Lines 9 + 10).....	98,065,075	101,897,230
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... 2,311,944 ).....	(2,311,944)	(2,628,170)
13. Finance and service charges not included in premiums.....	3,634,443	3,792,142
14. Aggregate write-ins for miscellaneous income.....	187,558	371,580
15. Total other income (Lines 12 through 14).....	1,510,057	1,535,552
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	124,376,122	31,382,926
17. Dividends to policyholders.....	940,225	891,300
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).....	123,435,897	30,491,626
19. Federal and foreign income taxes incurred.....	30,929,839	2,255,492
20. Net income (Line 18 minus Line 19)(to Line 22).....	92,506,058	28,236,135
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,016,698,490	990,822,386
22. Net income (from Line 20).....	92,506,058	28,236,135
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ ..... 7,630,339.....	15,498,673	(6,818,256)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	3,050,505	7,838,643
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	11,549,087	(10,787,776)
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.....		7,407,359
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	122,604,323	25,876,104
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,139,302,813	1,016,698,490
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....		
1401. Miscellaneous income & expense.....	187,558	371,580
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....		
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	187,558	371,580
3701. Additional admitted deferred tax assets.....		7,407,359
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....		7,407,359

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	1,487,108,734	1,412,057,562
2. Net investment income .....	102,614,489	103,717,414
3. Miscellaneous income .....	1,510,057	1,535,552
4. Total (Lines 1 through 3) .....	1,591,233,280	1,517,310,528
5. Benefit and loss related payments .....	906,612,295	881,906,303
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	509,514,495	477,451,305
8. Dividends paid to policyholders .....	940,225	891,300
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 2,019,450 tax on capital gains (losses) .....	21,427,967	8,737,307
10. Total (Lines 5 through 9) .....	1,438,494,981	1,368,986,215
11. Net cash from operations (Line 4 minus Line 10) .....	152,738,299	148,324,312
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	359,981,435	330,072,928
12.2 Stocks .....	14,898,748	12,985,958
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....	883,684	727,613
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) .....	375,763,867	343,786,499
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	467,284,870	484,670,088
13.2 Stocks .....	28,398,966	26,933,377
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....	7,010,535	4,664,034
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	502,694,371	516,267,499
14. Net increase (decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(126,930,504)	(172,481,000)
<b>Cash from Financing and Miscellaneous Sources</b>		
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) .....	(6,838,140)	4,325,789
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(6,838,140)	4,325,789
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	18,969,654	(19,830,898)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	2,149,477	21,980,375
19.2 End of period (Line 18 plus Line 19.1) .....	21,119,132	2,149,477

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

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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**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 .....	3,064,038	1,466,768	1,721,188	2,809,618
2.	Allied lines .....	3,481,863	1,487,582	1,925,148	3,044,298
3.	Farmowners multiple peril .....	4,988,500	2,109,525	2,646,412	4,451,614
4.	Homeowners multiple peril .....	350,492,984	183,229,723	201,646,463	332,076,245
5.	Commercial multiple peril .....	293,493,969	144,738,028	160,997,092	277,234,905
6.	Mortgage guaranty .....				
8.	Ocean marine .....				
9.	Inland marine .....	34,774,082	18,401,870	18,991,931	34,184,020
10.	Financial guaranty .....				
11.1	Medical professional liability - occurrence .....				
11.2	Medical professional liability - claims-made .....				
12.	Earthquake .....	6,379,248	3,446,230	3,557,554	6,267,923
13.	Group accident and health .....				
14.	Credit accident and health (group and individual) .....				
15.	Other accident and health .....				
16.	Workers' compensation .....	114,635,155	56,872,827	57,248,337	114,259,644
17.1	Other liability - occurrence .....	21,798,072	10,520,569	11,649,643	20,668,999
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 .....	280,197,953	109,240,199	115,707,060	273,731,092
19.3, 19.4	Commercial auto liability .....	123,805,446	56,988,018	63,251,189	117,542,276
21.	Auto physical damage .....	280,377,323	116,458,535	119,738,248	277,097,610
22.	Aircraft (all perils) .....				
23.	Fidelity .....	826,901	348,330	425,049	750,182
24.	Surety .....				
26.	Burglary and theft .....	343,066	164,730	182,612	325,183
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.	<b>TOTALS</b>	<b>1,518,658,601</b>	<b>705,472,934</b>	<b>759,687,926</b>	<b>1,464,443,609</b>
<b>DETAILS OF WRITE-INS</b>					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page .....				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**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 .....	1,719,753	1,435			1,721,188
2.	Allied lines .....	1,923,751	1,397			1,925,148
3.	Farmowners multiple peril .....	2,646,412				2,646,412
4.	Homeowners multiple peril .....	201,644,132	2,331			201,646,463
5.	Commercial multiple peril .....	160,582,066	76,334	338,692		160,997,092
6.	Mortgage guaranty .....					
8.	Ocean marine .....					
9.	Inland marine .....	18,989,454	2,478			18,991,931
10.	Financial guaranty .....					
11.1	Medical professional liability - occurrence .....					
11.2	Medical professional liability - claims-made .....					
12.	Earthquake .....	3,557,554				3,557,554
13.	Group accident and health .....					
14.	Credit accident and health (group and individual) .....					
15.	Other accident and health .....					
16.	Workers' compensation .....	57,055,448	76,969	115,920		57,248,337
17.1	Other liability - occurrence .....	11,647,962	1,681			11,649,643
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 .....	115,705,871	1,189			115,707,060
19.3, 19.4	Commercial auto liability .....	63,205,634	9,418	36,137		63,251,189
21.	Auto physical damage .....	119,730,543	7,705			119,738,248
22.	Aircraft (all perils) .....					
23.	Fidelity .....	423,655	1,393			425,049
24.	Surety .....					
26.	Burglary and theft .....	182,612				182,612
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.	<b>TOTALS</b>	<b>759,014,847</b>	<b>182,330</b>	<b>490,749</b>		<b>759,687,926</b>
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					(490,749)
38.	Balance (Sum of Line 35 through 37)					759,197,177
<b>DETAILS OF WRITE-INS</b>						
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Summary of remaining write-ins for Line 34 from overflow page .....					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	3,443,188		14,493	393,643		3,064,038
2. Allied lines	4,438,665		196,571	1,153,372		3,481,863
3. Farmowners multiple peril	5,513,939			525,438		4,988,500
4. Homeowners multiple peril	389,146,815		823,085	39,476,915		350,492,984
5. Commercial multiple peril	327,770,175		607,911	34,884,118		293,493,969
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	39,099,670			4,325,107	482	34,774,082
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	7,146,565			767,317		6,379,248
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	122,788,389			8,153,234		114,635,155
17.1 Other liability - occurrence	53,989,864			32,191,792		21,798,072
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	296,159,381			15,961,428		280,197,953
19.3, 19.4 Commercial auto liability	130,652,220		2,140	6,848,914		123,805,446
21. Auto physical damage	296,535,729			16,158,406		280,377,323
22. Aircraft (all perils)						
23. Fidelity	870,646			43,745		826,901
24. Surety						
26. Burglary and theft	362,029			18,963		343,066
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX					
32. Reinsurance - nonproportional assumed liability	XXX					
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	1,677,917,275		1,644,200	160,902,393	482	1,518,658,601
<b>DETAILS OF WRITE-INS</b>						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$ .....

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$ .....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**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 .....	1,282,081	105,769	362	1,387,488	1,041,796	175,479	2,253,805	80.2
2. Allied lines .....	2,308,373	106,846	810,181	1,605,038	865,247	435,189	2,035,096	66.8
3. Farmowners multiple peril .....	4,283,663		911,952	3,371,712	1,528,025	625,226	4,274,511	96.0
4. Homeowners multiple peril .....	288,449,882	443,351	58,189,498	230,703,736	67,900,261	65,034,425	233,569,572	70.3
5. Commercial multiple peril .....	192,680,582	146,062	47,687,908	145,138,736	199,674,473	202,444,375	142,368,834	51.4
6. Mortgage guaranty .....								
8. Ocean marine .....								
9. Inland marine .....	16,889,149		557,381	16,331,768	2,143,187	2,037,030	16,437,925	48.1
10. Financial guaranty .....								
11.1 Medical professional liability - occurrence .....								
11.2 Medical professional liability - claims-made .....								
12. Earthquake .....					1,600	800	800	0.0
13. Group accident and health .....								
14. Credit accident and health (group and individual) .....								
15. Other accident and health .....								
16. Workers' compensation .....	74,332,968		5,457,642	68,875,327	190,437,003	185,256,366	74,055,964	64.8
17.1 Other liability - occurrence .....	21,121,804		13,936,048	7,185,757	30,219,986	30,371,488	7,034,255	34.0
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 .....	191,243,973		3,231,211	188,012,762	214,907,983	201,535,635	201,385,110	73.6
19.3, 19.4 Commercial auto liability .....	70,676,297	274	(3,709)	70,680,280	112,856,905	105,999,333	77,537,852	66.0
21. Auto physical damage .....	180,405,594		8,873,531	171,532,063	7,458,464	9,106,635	169,883,893	61.3
22. Aircraft (all perils) .....								
23. Fidelity .....	126,355			126,355	141,394	88,089	179,661	23.9
24. Surety .....								
26. Burglary and theft .....	53,279			53,279	8,065	20,774	40,571	12.5
27. Boiler and machinery .....								
28. Credit .....								
29. International .....								
30. Warranty .....								
31. Reinsurance - nonproportional assumed property .....	XXX							
32. Reinsurance - nonproportional assumed liability .....	XXX							
33. Reinsurance - nonproportional assumed financial lines .....	XXX							
34. Aggregate write-ins for other lines of business .....								
35. TOTALS	1,043,854,002	802,302	139,652,004	905,004,300	829,184,390	803,130,843	931,057,847	63.6
<b>DETAILS OF WRITE-INS</b>								
3401. ....								
3402. ....								
3403. ....								
3498. Summary of remaining write-ins for Line 34 from overflow page .....								
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**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	1,764,597	34,002	793,759	1,004,839	36,244	1,253	540	1,041,796	89,839
2. Allied lines	1,170,483	70,058	626,862	613,680	307,154		55,588	865,247	108,653
3. Farmowners multiple peril	2,024,530		794,043	1,230,487	298,265		726	1,528,025	298,775
4. Homeowners multiple peril	73,757,457	47,196	15,151,478	58,653,175	9,247,073	13		67,900,261	10,874,640
5. Commercial multiple peril	175,373,511	(7,083)	42,641,112	132,725,316	67,874,271	5	925,120	199,674,473	124,175,268
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	839,724		28,923	810,801	1,337,347		4,961	2,143,187	257,268
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake	1,600			1,600				1,600	11
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health								(a)	
16. Workers' compensation	105,488,499		35,242,669	70,245,829	126,330,027		6,138,853	190,437,003	20,737,482
17.1 Other liability - occurrence	56,008,212		43,499,908	12,508,304	23,789,865		6,078,183	30,219,986	23,729,100
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	177,065,592	(6)	2,604,926	174,460,659	40,447,623		299	214,907,983	36,661,766
19.3, 19.4 Commercial auto liability	93,079,971	1,856	13,011,897	80,069,930	32,830,194	199	43,418	112,856,905	20,304,318
21. Auto physical damage	(1,535,645)		118,077	(1,653,722)	9,112,187			7,458,464	2,025,764
22. Aircraft (all perils)									
23. Fidelity	42,735			42,735	98,659			141,394	39,597
24. Surety									
26. Burglary and theft	(8,432)			(8,432)	16,497			8,065	2,162
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX				XXX				
32. Reinsurance - nonproportional assumed liability	XXX				XXX				
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	685,072,833	146,023	154,513,655	530,705,202	311,725,407	1,470	13,247,688	829,184,390	239,304,645
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**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 .....	47,366,979			47,366,979
1.2 Reinsurance assumed .....	91,266			91,266
1.3 Reinsurance ceded .....	(6,981,843)			(6,981,843)
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	54,440,089			54,440,089
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		251,965,269		251,965,269
2.2 Reinsurance assumed, excluding contingent .....		489,339		489,339
2.3 Reinsurance ceded, excluding contingent .....		13,940,412		13,940,412
2.4 Contingent - direct .....		30,195,339		30,195,339
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) .....		268,709,535		268,709,535
3. Allowances to managers and agents .....				
4. Advertising .....				
5. Boards, bureaus and associations .....	390,959	1,719,732		2,110,692
6. Surveys and underwriting reports .....	20,542	3,234,298		3,254,840
7. Audit of assureds' records .....		1,274,962		1,274,962
8. Salary and related items:				
8.1 Salaries .....	18,549,952	40,513,276	542,518	59,605,746
8.2 Payroll taxes .....	1,831,872	2,910,888	57,208	4,799,969
9. Employee relations and welfare .....	12,657,212	20,172,351	395,873	33,225,437
10. Insurance .....	212,659	342,502	7,609	562,770
11. Directors' fees .....	52,515	105,842	52,921	211,277
12. Travel and travel items .....	1,512,638	3,180,930	22,493	4,716,061
13. Rent and rent items .....	3,389,732	6,413,276	196,371	9,999,379
14. Equipment .....	88,031	557,660	11,192	656,882
15. Cost or depreciation of EDP equipment and software .....	1,672,581	10,595,533	212,642	12,480,757
16. Printing and stationery .....	449,982	1,050,419	30,431	1,530,832
17. Postage, telephone and telegraph, exchange and express .....	1,702,465	6,082,641	168,856	7,953,962
18. Legal and auditing .....	9,776	322,928	887	333,590
19. Totals (Lines 3 to 18) .....	42,540,916	98,477,238	1,699,000	142,717,155
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ (36,070) .....		38,637,550		38,637,550
20.2 Insurance department licenses and fees .....		1,027,275		1,027,275
20.3 Gross guaranty association assessments .....		2,983		2,983
20.4 All other (excluding federal and foreign income and real estate) .....		3,105,237		3,105,237
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		42,773,044		42,773,044
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	1,114,479	529,471	7,221	1,651,170
25. Total expenses incurred .....	98,095,484	410,489,287	1,706,221 (a)	510,290,992
26. Less unpaid expenses - current year .....	239,304,645	67,008,373		306,313,018
27. Add unpaid expenses - prior year .....	253,916,863	53,342,150		307,259,013
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) .....	112,707,702	396,823,064	1,706,221	511,236,987
<b>DETAILS OF WRITE-INS</b>				
2401. Outside services .....	1,114,479	529,471	7,221	1,651,170
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....	1,114,479	529,471	7,221	1,651,170

(a) Includes management fees of \$ 136,716,422 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**EXHIBIT OF NET INVESTMENT INCOME**

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a) 24,283,760	25,083,520
1.1	Bonds exempt from U.S. tax .....	(a) 41,882,803	40,789,118
1.2	Other bonds (unaffiliated) .....	(a) 24,018,930	23,659,650
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	5,385,909	5,447,902
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) .....	.....
7.	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	290,615	290,615
9.	Aggregate write-ins for investment income .....	25,360	25,360
10.	Total gross investment income .....	95,887,377	95,296,166
11.	Investment expenses .....	.....	(g) 1,706,221
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 .....	.....	354,068
16.	Total deductions (Lines 11 through 15) .....	.....	2,060,289
17.	Net investment income (Line 10 minus Line 16) .....	.....	93,235,877
<b>DETAILS OF WRITE-INS</b>			
0901.	Miscellaneous interest .....	25,360	25,360
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	25,360	25,360
1501.	Miscellaneous expenses .....	.....	354,068
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	354,068

- (a) Includes \$ 1,004,581 accrual of discount less \$ 9,791,983 amortization of premium and less \$ 1,076,180 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	261,742	.....	261,742	.....	.....
1.1	Bonds exempt from U.S. tax .....	232,445	.....	232,445	.....	.....
1.2	Other bonds (unaffiliated) .....	807,301	.....	807,301	193,495	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	6,376,362	.....	6,376,362	21,293,464	.....
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 .....	.....	.....	.....	1,642,053	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	7,677,849	.....	7,677,849	23,129,012	.....
<b>DETAILS OF WRITE-INS</b>						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	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 .....	7,225,595	6,734,578	(491,016)
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 .....		12,040,103	12,040,103
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	7,225,595	18,774,681	11,549,087
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27) .....	7,225,595	18,774,681	11,549,087
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)			

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Owners Insurance Company have been completed in accordance with the prescribed practices of the Ohio Department of Insurance and the *Accounting Practices and Procedures Manual*.

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

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

C. Accounting Policies

Written premiums are recorded on the effective date of the contract. Net premiums written are recognized as earned ratably over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies

1. The Company does not have short-term investments.
2. Bonds not backed by other loans are stated at amortized cost using the scientific method.
3. Common stocks are stated at market.
4. The Company does not have investments in preferred stocks.
5. The Company does not have mortgage loans.
6. Loan-backed securities are stated at amortized cost using the prospective method of including anticipated prepayments at the date of purchase and updated for any significant changes in estimated prepayments since the original date of purchase.
7. The Company does not have investments in subsidiaries, controlled or affiliated companies.
8. The Company has investments in certain limited partnerships. The Company carried these interests based on the underlying audited GAAP equity of the investee.
9. The Company does not have any derivatives.
10. The Company anticipates 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, reduced for amounts ceded to other insurers and reduced for anticipated salvage and subrogation. 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 are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. The Company has no pharmaceutical rebate receivables.

2. Accounting Changes and Corrections of Errors

The Company has adopted SSAP 101 – Income Taxes, as of January 1, 2012. No changes to net admitted assets, liabilities, or surplus were recognized as a result of adopting SSAP 101.

3. Business Combinations and Goodwill

N/A

4. Discontinued Operations

N/A

5. Investments

A. Mortgage Loans

N/A

B. Debt Restructuring

N/A

C. Reverse Mortgages

N/A

D. Loan-Backed Securities

- (1) Prepayment assumptions for loan-backed bonds and structured securities are obtained from the Bloomberg Financial System. These assumptions are consistent with the current interest rate environment.
- (2) Owners Insurance Company has no loan-backed securities with an other-than-temporary impairment.
- (3) Owners Insurance Company has no loan-backed securities with an other-than-temporary impairment.
- (4) Aggregate value of loan-backed securities with unrealized losses at December 31, 2012.

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ 155,770
2. 12 Months or Longer	\$ 47,741

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$ 34,930,823
2. 12 Months or Longer	\$ 3,821,404

- (5) Owners Insurance Company evaluates factors such as payment performance, the length of time and the extent of which the fair value has been less than cost, and the intent and ability of the Company to hold securities for a period of time sufficient to allow for any anticipated recovery in fair value.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

- E. Repurchase Agreements or Securities Lending Transactions  
N/A
- F. Real Estate  
N/A
- G. Low Income Housing Tax Credit  
N/A
- 6. Joint Ventures, Partnerships and Limited Liability Companies
  - A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
  - B. The Company did not recognize any impairment for its investments in Joint Ventures, Partnerships or Limited Liability Companies during the statement period.
- 7. Investment Income
  - A. Due and accrued investment income that is 90 days past due is excluded from surplus.
  - B. No due and accrued income has been excluded from the Company's surplus during 2012 and 2011.
- 8. Derivative Instruments  
N/A
- 9. Income Taxes

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

		12/31/12		
		(1)	(2)	(3)
		Ordinary	Capital	(Col 1+2) Total
1.	(a) Gross Deferred Tax Assets	94,969,514	0	94,969,514
	(b) Statutory Valuation Allowance Adjustments	0	0	0
	(c) Adjusted Gross Deferred Tax Assets (1a-1b)	94,969,514	0	94,969,514
	(d) Deferred Tax Assets Nonadmitted	0	0	0
	(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	94,969,514	0	94,969,514
	(f) Deferred Tax Liabilities	3,643,089	24,076,157	27,719,246
	(g) Net Admitted Deferred Tax Asset/(Liability) (1e-1f)	91,326,425	(24,076,157)	67,250,268

		12/31/11		
		(4)	(5)	(6)
		Ordinary	Capital	(Col 4+5) Total
	(a) Gross Deferred Tax Assets	93,497,844	251	93,498,095
	(b) Statutory Valuation Allowance Adjustments	0	0	0
	(c) Adjusted Gross Deferred Tax Assets (1a-1b)	93,497,844	251	93,498,095
	(d) Deferred Tax Assets Nonadmitted	0	0	0
	(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	93,497,844	251	93,498,095
	(f) Deferred Tax Liabilities	3,420,536	18,247,457	21,667,993
	(g) Net Admitted Deferred Tax Asset/(Liability) (1e-1f)	90,077,308	(18,247,206)	71,830,102

		Change		
		(7)	(8)	(9)
		(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
	(a) Gross Deferred Tax Assets	1,471,670	(251)	1,471,419
	(b) Statutory Valuation Allowance Adjustments	0	0	0
	(c) Adjusted Gross Deferred Tax Assets (1a-1b)	1,471,670	(251)	1,471,419
	(d) Deferred Tax Assets Nonadmitted	0	0	0
	(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	1,471,670	(251)	1,471,419
	(f) Deferred Tax Liabilities	222,553	5,828,700	6,051,253
	(g) Net Admitted Deferred Tax Asset/(Liability) (1e-1f)	1,249,117	(5,828,951)	(4,579,834)

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

2.

Admission Calculation Components  
SSAP No. 101 (Paragraph 11)

- (a) Federal Income Taxes Paid in Prior Years - Recoverable Through Loss Carrybacks
- (b) Adjusted Gross Deferred Tax Assets Expected to be Realized (excluding the amount of deferred tax assets from 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)
  - 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.
  - 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.
- (c) Adjusted Gross Deferred Tax Assets (excluding the amount of deferred tax from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities
- (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))

12/31/12		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total
31,283,280	0	31,283,280
44,057,908	0	44,057,908
XXX	XXX	44,057,908
XXX	XXX	151,767,063
19,628,326	0	19,628,326
94,969,514	0	94,969,514

Admission Calculation Components  
SSAP No. 101 (Paragraph 11)

- (a) Federal Income Taxes Paid in Prior Years - Recoverable Through Loss Carrybacks
- (b) Adjusted Gross Deferred Tax Assets Expected to be Realized (excluding the amount of deferred tax assets from 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)
  - 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.
  - 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.
- (c) Adjusted Gross Deferred Tax Assets (excluding the amount of deferred tax from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities
- (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))

12/31/11		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total
23,660,794	0	23,660,794
48,811,538	0	48,811,538
XXX	XXX	48,811,538
XXX	XXX	131,338,066
21,025,512	251	21,025,763
93,497,844	251	93,498,095

Admission Calculation Components  
SSAP No. 101 (Paragraph 11)

- (a) Federal Income Taxes Paid in Prior Years - Recoverable Through Loss Carrybacks
- (b) Adjusted Gross Deferred Tax Assets Expected to be Realized (excluding the amount of deferred tax assets from 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)
  - 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.
  - 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.
- (c) Adjusted Gross Deferred Tax Assets (excluding the amount of deferred tax from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities
- (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
7,622,486	0	7,622,486
(4,753,630)	0	(4,753,630)
XXX	XXX	(4,753,630)
XXX	XXX	20,428,997
(1,397,186)	(251)	(1,397,437)
1,471,670	(251)	1,471,419

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

3.

- (a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.  
 (b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b) 2 Above.

12/31/12	12/31/11
953.4%	910.7%
1,072,052,545	944,868,388

4.

Impact of Tax Planning Strategies

- (a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)  
 (b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)

	12/31/12	
(1)	(2)	(3)
Ordinary Percent	Capital Percent	(Col 1+2) Total Percent
0.0%	0.0%	0.0%
0.0%	0.0%	0.0%

Impact of Tax Planning Strategies

- (a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)  
 (b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)

12/31/11		
(4)	(5)	(6)
Ordinary Percent	Capital Percent	(Col 4+5) Total Percent
0.0%	0.0%	0.0%
0.0%	0.0%	0.0%

Impact of Tax Planning Strategies

- (a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)  
 (b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary Percent	(Col 2-5) Capital Percent	(Col 7+8) Total Percent
0.0%	0.0%	0.0%
0.0%	0.0%	0.0%

- (c) Does the Company's tax-planning strategies include the use of reinsurance? Yes \_\_\_\_\_ No X

B. The Company has no unrecognized deferred income tax liabilities.

C. The provisions for incurred taxes on earnings for the years ended December 31 are:

1.

- (a) Federal income tax  
 (b) Foreign income tax  
 (c) Subtotal  
 (d) Federal income tax on net capital gains  
 (e) Utilization of capital loss carry-forwards  
 (f) Other  
 (g) Federal and foreign income taxes incurred

(1)	(2)	(3)
12/31/12	12/31/11	(Col 1-2) Change
30,582,741	(1,504,116)	32,086,857
12,891	879	12,012
30,595,632	(1,503,237)	32,098,869
2,848,651	3,307,670	(459,019)
0	0	0
334,207	3,758,730	(3,424,523)
33,778,490	5,563,163	28,215,327

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	(1)	(2)	(3)
	12/31/12	12/31/11	(Col 1-2) Change
<b>2. Deferred tax assets:</b>			
(a) Ordinary:			
(1) Discounting of unpaid losses	32,694,835	34,229,963	(1,535,128)
(2) Unearned premium reserve	54,299,600	50,573,782	3,725,818
(3) Policyholder reserves	0	0	0
(4) Investments	0	1,149,797	(1,149,797)
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed assets	0	0	0
(8) Compensation and benefits accrual	0	0	0
(9) Pension accrual	0	0	0
(10) Receivables - Nonadmitted	2,528,958	2,357,102	171,856
(11) Net operating loss carryforward	0	0	0
(12) Tax credit carryforward	3,728,433	3,728,433	0
(13) Other	1,717,688	1,458,767	258,921
Subtotal	94,969,514	93,497,844	1,471,670
(b) Statutory valuation allowance adjustment	0	0	0
(c) Nonadmitted	0	0	0
(d) Admitted ordinary deferred tax assets	94,969,514	93,497,844	1,471,670
(e) Capital:			
(1) Investments	0	251	(251)
(2) Net capital loss carryforward	0	0	0
(3) Real estate	0	0	0
(4) Other items	0	0	0
Subtotal	0	251	(251)
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital deferred tax assets	0	251	(251)
(i) Admitted deferred tax assets	94,969,514	93,498,095	1,471,419

	12/31/12	12/31/11	Change
<b>3. Deferred tax liabilities:</b>			
(a) Ordinary:			
(1) Investments	1,166,352	431,361	734,991
(2) Fixed assets	0	0	0
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Discounting of salvage & subrogation	1,320,135	1,619,357	(299,222)
(6) Unpaid additional premium acquisition expense	1,031,873	1,146,336	(114,463)
(7) Other items	124,729	223,482	(98,753)
Subtotal	3,643,089	3,420,536	222,553
(b) Capital:			
(1) Investments	24,076,157	18,247,457	5,828,700
(2) Real estate	0	0	0
(3) Other items	0	0	0
Subtotal	24,076,157	18,247,457	5,828,700
(c) Deferred tax liabilities	27,719,246	21,667,993	6,051,253

4. Net deferred tax assets/liabilities (2i-3c)	67,250,268	71,830,102	(4,579,834)
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5. The change in net deferred income taxes is comprised of the following (exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the Surplus section of the Annual Statement):

	12/31/12	12/31/11	Change
Adjusted gross deferred tax assets	94,969,514	93,498,095	1,471,419
Total deferred tax liabilities	27,719,246	21,667,993	6,051,253
Net deferred tax assets (liabilities)	67,250,268	71,830,102	(4,579,834)
Tax effect of unrealized gains (losses)			7,630,339
Change in net deferred income tax			3,050,505

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

D. The provision for federal and foreign taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	2012	Effective Tax Rate	2011	Effective Tax Rate
Provision computed at statutory rate	44,199,592	35.0%	11,829,754	35.0%
Tax exempt income deduction	(14,246,533)	-11.3%	(15,602,302)	-46.2%
Dividends received deduction	(1,179,415)	-0.9%	(988,422)	-2.9%
Non-taxable interest and dividends - 15% addback	2,313,892	1.8%	2,488,609	7.4%
Nonadmitted assets	(171,856)	-0.1%	(72,195)	-0.2%
Other adjustments	(187,695)	-0.1%	69,076	0.2%
Total	30,727,985	24.3%	(2,275,480)	-6.7%
Federal and foreign income taxes incurred	33,778,490	26.7%	5,563,163	16.5%
Change in net deferred income taxes	(3,050,505)	-2.4%	(7,838,643)	-23.2%
Total statutory income taxes	30,727,985	24.3%	(2,275,480)	-6.7%

E. 1. The Company has no operating loss carryforwards available.  
 2. The amount of federal income taxes incurred and available for recoupment in the event of future net losses is : current year \$31,283,280; first preceding year \$0.  
 3. The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. 1. The company has no federal or foreign income tax loss contingencies.

G. 1. The Company's federal income tax return is consolidated with the following entities:

- Auto-Owners Insurance Company - Lansing, Michigan
- Auto-Owners Life Insurance Company - Lansing, Michigan
- Home-Owners Insurance Company – Lansing, Michigan
- Owners Insurance Company - Lima, Ohio
- Property-Owners Insurance Company - Marion, Indiana
- Southern-Owners Insurance Company - Lansing, Michigan
- Lake Country Corporation - Lansing, Michigan

2. The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually.

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

- A. Natures of Relationships  
 The Company is 99.97% owned by Auto-Owners Insurance Company. Pursuant to the reinsurance agreement with Auto-Owners Insurance Company effective January 1, 2012, the Company ceded 100% of the following coverages to Auto-Owners: Umbrella, Equipment Breakdown, Identity Recovery and Data Compromise, Employment Practices Liability, Mine Sub/Sinkhole, Involuntary Workers Compensation, facultatively reinsured policies in any class of business, and Certified Terrorism.
- B. N/A
- C. N/A
- D. At December 31, 2012 and 2011, the Company reported balances due to and due from the Parent Company, Auto-Owners Insurance Company. Balances due to the Parent were \$107,063,350 and \$113,656,770, respectively; balances due from the Parent were \$291,626 and \$1,045,561, respectively. With the exception of tax balances, amounts due from and to affiliated companies are settled within 45 days from the end of the month.
- E. N/A
- F. Pursuant to a management agreement, the Company receives investment and certain operating functions from its parent company, Auto-Owners Insurance Company. Charges under the agreement are reviewed and adjusted annually. These charges aggregated \$136,716,422 and \$125,906,529 in 2012 and 2011, respectively.
- G. Generally, all outstanding shares of the Company (99.97%) are owned by the parent company, Auto-Owners Insurance Company, an insurance company domiciled in the State of Michigan.
- H. N/A
- I. N/A
- J. N/A
- K. N/A
- L. N/A

11. Debt  
 N/A

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

- A. Defined Benefit Plan  
 N/A
- B. Defined Contribution Plan  
 N/A
- C. Multiemployer Plans  
 N/A
- D. Consolidated/Holding Company Plans  
 N/A
- E. Post Employment Benefits and Compensated Absences  
 N/A

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

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

1. The Company has 500,000 common shares of stock authorized and 32,500 shares outstanding with a par value of \$200.
2. N/A
3. Dividend Restrictions – The maximum amount of dividends which can be paid by the Company to stockholders without approval is limited to the greater of 10 percent of surplus as regards policyholders at December 31, 2012, or net income for the year 2012. Prior approval is also required for any dividend paid from other than unassigned funds. Accordingly, the Company may pay dividends of approximately \$113,930,281 during 2013.
4. N/A
5. Within the limitations noted above, there are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to stockholders.
6. N/A
7. N/A
8. N/A
9. N/A
10. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
 

	2012	2011
a. Unrealized gains and losses, net of tax	\$ 45,931,550	\$ 30,432,877
b. Nonadmitted asset values	\$ (7,225,595)	\$ (18,774,681)
11. N/A
12. N/A
13. N/A

14. Contingencies

A. Contingent Commitments

1. The Company is contingently committed to make additional investments in certain limited partnerships, limited liability corporations and private equity funds. Calls for additional investments may total up to \$16,850,296 and \$19,445,467 at December 31, 2012 and 2011, respectively.
2. N/A
3. N/A

B. Guaranty Fund and Other Assessments

1. The Company has accrued assessments including an estimated amount for the cost of known insolvencies. The Company has estimated its liability for future assessments due to insolvencies to be \$1,057,796 at December 31, 2012 and \$1,226,509 at December 31, 2011. These figures represent management’s best estimates based on the current information available.

State mandated assessments are generally paid during the following calendar year. Guaranty fund assessments are paid when called by the state guaranty fund associations, generally within a one to three year period. Premium tax offsets for guaranty fund payments are realized within five years after the year of payment in most states. The Company will generally realize policyholder surcharges to recoup for assessments within one to two years after incurring those assessments.

2.
  - a. Assets recognized from paid and accrued premium tax offsets and policy surcharges  
December 31, 2011 \$ 915,374
  - b. Decreases current year:  
Premium tax offsets applied 70,701
  - c. Increases current year:  
Change in future premium tax offsets 54,430  
Change in future surcharges 29,965
  - d. Assets recognized from paid and accrued premium tax offsets and policy surcharges  
December 31, 2012 \$ 929,068

C. Gain Contingencies  
N/A

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$1,844,675

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant.

( f ) Per Claim [ X ]      ( g ) Per Claimant [   ]

E. N/A

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

F. All Other Contingencies

The Company is not aware of potential lawsuits or other legal action beyond the ordinary course of business which would be considered material in relation to the financial position of the Company.

15. Leases  
N/A

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

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

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

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

20. Fair value Measurements

A.

(1) Fair Value measurements at December 31, 2012:

Description	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
<b>Bonds</b>				
U.S. Special Revenue and Assessments	\$	\$ 949,250	\$	\$ 949,250
Total Bonds	\$	\$ 949,250	\$	\$ 949,250
<b>Common Stocks</b>				
Industrial and Miscellaneous	\$ 195,822,459	\$	\$	\$ 195,822,459
Mutual Funds	\$	\$ 71,722,264	\$	\$ 71,722,264
Total Common Stocks	\$ 195,822,459	\$ 71,722,264	\$	\$ 267,544,723
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 195,822,459</b>	<b>\$ 72,671,514</b>	<b>\$</b>	<b>\$ 268,493,973</b>

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

	Balance at 1/1/2012	Transfers into Lvl 3	Transfers out of Lvl 3	Total gains/ (losses) included in Net Income	Total gains/ (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2012
<b>Common Stocks - Unaffiliated</b>										
Money Market	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mutual Funds	\$ 5,762	\$	\$	\$ (5,045)	\$ (717)	\$	\$	\$	\$	\$
<b>Total</b>	<b>\$ 5,762</b>	<b>\$</b>	<b>\$</b>	<b>\$ (5,045)</b>	<b>\$ (717)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

(3) The Company's policy is to recognize transfers out as of the actual date of the event or change in circumstances that caused the transfer.

(4) Level 1 Measurements

Level 1 assets include actively-traded exchange-listed equity securities, which are valued based on unadjusted quoted exchange prices.

Level 2 Measurements

Bonds are reported at amortized cost unless they are below investment grade, in which case they are reported at the lower of amortized cost or fair market value. An evaluated price is provided, through the Company's custodian bank, by a pricing vendor based on observable inputs, including quoted prices for similar securities in active markets, quoted prices for identical or similar securities in inactive markets, and models that derive valuations from observable inputs in active markets.

Mutual funds are valued based on quoted net asset value.

Level 3 Measurements

Level 3 assets reported at amortized cost include certain bonds that are infrequently traded. Fair values are derived through comparison to similar securities or obtained directly from the issuer.

B. N/A

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 2,641,481,605	\$ 2,485,406,317	\$	\$ 2,594,330,427	\$ 47,151,178	\$
Common Stock	267,544,723	267,544,723	195,822,459	71,722,264		

D. N/A

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

21. Other Items

- A. N/A
- B. N/A

C. Other Disclosures

The following presents the unpaid loss and loss adjustment expense reserves reported on the prior accident year line of Schedule P, Part 1 (long-tail lines only), of the annual statement. All amounts shown in thousands of dollars.

Schedule P Category	Loss Year	Loss & Expense Unpaid	Anticipated Salv. & Subr.	Total Net Loss & Expense Unpaid
Part 1A	Prior	0	0	0
Homeowners/ Farmowners	1988	0	0	0
	1989	0	0	0
	1990	0	0	0
	1991	0	0	0
	1992	0	0	0
	1993	0	0	0
	1994	0	0	0
	1995	0	0	0
	1996	0	0	0
	1997	0	0	0
	1998	0	0	0
	1999	0	0	0
	2000	0	0	0
	2001	2	0	2
	2002	0	0	0
	Total	2	0	2

Schedule P Category	Loss Year	Loss & Expense Unpaid	Anticipated Salv. & Subr.	Total Net Loss & Expense Unpaid
Part 1B	Prior	0	0	0
Private Passenger Auto Liability/Medical	1988	0	0	0
	1989	0	0	0
	1990	0	0	0
	1991	0	0	0
	1992	0	0	0
	1993	0	0	0
	1994	0	0	0
	1995	0	0	0
	1996	25	0	25
	1997	19	0	19
	1998	0	0	0
	1999	38	0	38
	2000	0	0	0
	2001	0	0	0
	2002	0	(9)	(9)
	Total	82	(9)	73

Schedule P Category	Loss Year	Loss & Expense Unpaid	Anticipated Salv. & Subr.	Total Net Loss & Expense Unpaid
Part 1C	Prior	0	0	0
Commercial Auto/ Truck Liability/Medical	1988	0	0	0
	1989	0	0	0
	1990	0	0	0
	1991	0	0	0
	1992	0	0	0
	1993	0	0	0
	1994	0	0	0
	1995	0	0	0
	1996	0	0	0
	1997	0	0	0
	1998	0	0	0
	1999	0	0	0
	2000	0	0	0
	2001	13	0	13
	2002	0	0	0
	Total	13	0	13

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

Schedule P Category	Loss Year	Loss & Expense Unpaid	Anticipated Salv. & Subr.	Total Net Loss & Expense Unpaid
Part 1D Workers' Compensation	Prior	5	0	5
	1988	0	0	0
	1989	0	0	0
	1990	2	0	2
	1991	1	0	1
	1992	0	0	0
	1993	2	0	2
	1994	0	0	0
	1995	0	0	0
	1996	0	0	0
	1997	4	0	4
	1998	0	0	0
	1999	1	0	1
	2000	3	0	3
	2001	18	0	18
2002	10	0	10	
Total		46	0	46

Schedule P Category	Loss Year	Loss & Expense Unpaid	Anticipated Salv. & Subr.	Total Net Loss & Expense Unpaid
Part 1E Commercial Multiple Peril	Prior	0	0	0
	1988	0	0	0
	1989	0	0	0
	1990	0	0	0
	1991	0	0	0
	1992	0	0	0
	1993	263	0	263
	1994	125	0	125
	1995	53	0	53
	1996	168	(27)	141
	1997	438	(38)	400
	1998	53	(21)	32
	1999	475	(293)	182
	2000	353	(37)	316
	2001	447	(144)	303
2002	1,188	(82)	1,106	
Total		3,563	(642)	2,921

Schedule P Category	Loss Year	Loss & Expense Unpaid	Anticipated Salv. & Subr.	Total Net Loss & Expense Unpaid
Part 1H Other Liability - Occurrence	Prior	0	0	0
	1988	0	0	0
	1989	0	0	0
	1990	0	0	0
	1991	0	0	0
	1992	0	0	0
	1993	0	0	0
	1994	0	0	0
	1995	0	0	0
	1996	0	0	0
	1997	11	0	11
	1998	18	0	18
	1999	68	0	68
	2000	0	0	0
	2001	9	(191)	(182)
2002	36	(124)	(88)	
Total		142	(315)	(173)

D. N/A  
E. N/A  
F. N/A

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

G. Subprime Mortgage Related Risk Exposure:

- (1) The primary factor used by Owners Insurance Company to determine subprime mortgage related risk exposure is a FICO score of 620 or less. Other secondary factors considered include: an initial loan-to-value greater than 90%, interest only or negative amortizing loans, and minimal or no documentation loans.

The Company has managed its exposure to subprime mortgage related risks by limiting its publicly traded mortgage investments to Government National Mortgage Association, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation issues rated AAA and holding conforming loans.

- (2) N/A  
 (3) N/A  
 (4) N/A

22. Events Subsequent

N/A

23. Reinsurance

A. Unsecured Reinsurance Recoverable

At December 31, 2012 the Company had unsecured aggregate recoverable amounts in excess of 3% of its surplus from the following company:

NAIC #18988; Federal ID #38-0315280; Auto-Owners Insurance Company; recoverable amount \$226,742,189.

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

(1)

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
a. Affiliates	\$ 0	\$ 0	\$ 20,896,425	\$ 7,313,749	\$ (20,896,425)	\$ (7,313,749)
b. All Other	1,948,768	579,953	0	0	1,948,768	579,953
c. Total	\$ 1,948,768	\$ 579,953	\$ 20,896,425	\$ 7,313,749	\$ (18,947,657)	\$ (6,733,796)
d. Direct Unearned Premium Reserve			\$ 778,144,834			

- (2) None  
 (3) None

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

G. Reinsurance Accounted for as a Deposit

None

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

N/A

25. Change in Incurred Losses and Loss Adjustment Expenses

	<u>2012</u>	<u>2011</u>
Reserves, beginning of year	\$ 1,057,047,706	\$ 997,967,453
Incurred losses:		
Current year	1,083,131,732	1,119,921,252
Prior years	(53,978,401)	(52,068,075)
Paid losses:		
Current year	638,885,228	666,816,029
Prior years	378,826,774	341,956,895
Reserves, end of year	\$ 1,068,489,035	\$ 1,057,047,706

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have changed as the result of ongoing analysis of recent loss development trends.

26. Intercompany Pooling Arrangements

The Company does not participate in a pooling arrangement.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

27. Structured Settlements

A.

Loss Reserves Eliminated by Annuities

\$ 35,832,918

Unrecorded Loss Contingencies

\$ 35,832,918

B.

Life Insurance Company and Location

Licensed in Company's  
State of Domicile: Yes/No

Statement Value  
(i.e. Present Value)  
of Annuities

Auto-Owners Life Insurance Co.

Yes

\$ 28,580,359

28. Health Care Receivables

N/A

29. Participating Policies

N/A

30. Premium Deficiency Reserves

(1)

1. Liability carried for premium deficiency reserves

\$ 0

2. Date of the most recent evaluation of this liability

12/31/2012

3. Was anticipated investment income utilized in the calculation?

Yes (X) NO( )

31. High Deductibles

N/A

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

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

33. Asbestos/Environmental Reserves

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

B. N/A

C. N/A

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

The Company's exposure to environmental impairment losses arises from the sale of general liability insurance. The Company estimates the full impact of the environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience.

(1) Direct –

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 3,947,165	\$ 1,835,712	\$ 2,061,449	\$ 1,264,780	\$ 1,503,355
b. Incurred losses & LAE:	(2,096,265)	443,422	(626,572)	300,510	(831,709)
c. Calendar year payments for losses and LAE:	15,188	217,685	170,097	61,935	19,062
d. Ending reserves:	\$ 1,835,712	\$ 2,061,449	\$ 1,264,780	\$ 1,503,355	\$ 652,584

(2) Assumed Reinsurance –

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. Incurred losses & LAE:	0	0	0	0	0
c. Calendar year payments for losses and LAE:	0	0	0	0	0
d. Ending reserves:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(3) Net of Ceded Reinsurance –

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
a. Beginning reserves:	\$ 3,947,165	\$ 1,831,527	\$ 2,061,450	\$ 1,263,231	\$ 1,503,356
b. Incurred losses & LAE:	(2,106,028)	444,298	(627,906)	302,060	(831,710)
c. Calendar year payments for losses and LAE:	9,610	214,375	170,313	61,935	19,062
d. Ending reserves:	\$ 1,831,527	\$ 2,061,450	\$ 1,263,231	\$ 1,503,356	\$ 652,584

E. State the amount of ending reserves for Bulk + IBNR included in D (Loss & LAE):

(1) Direct Basis:	\$ 107,000
(2) Assumed Reinsurance Basis:	\$ 0
(3) Net of Ceded Reinsurance Basis:	\$ 107,000

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

(1) Direct Basis:	\$ 158,853
(2) Assumed Reinsurance Basis:	\$ 0
(3) Net of Ceded Reinsurance Basis:	\$ 158,853

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

- 34. Subscriber Savings Accounts  
N/A
- 35. Multiple Peril Crop Insurance  
N/A
- 36. Financial Guaranty Insurance  
N/A

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**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 [ X ] No [ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ X ] No [ ]
- 2.2 If yes, date of change: ..... 08/01/2012
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2010
- 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. .... 12/31/2010
- 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). .... 04/09/2012
- 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 [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] N/A [ X ]
- 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 ]
- 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 or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PricewaterhouseCoopers, L.L.P., 333 Bridge Street, N.W., Suite 505, Grand Rapids, MI 49504-5320
- 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 the 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 the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] 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?  
Christopher P. Walker, FCAS, MAAA, Principal PricewaterhouseCoopers, L.L.P., One North Wacker Drive, Chicago, IL 60606 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ X ] No [ ]
  - 12.11 Name of real estate holding company ....
  - 12.12 Number of parcels involved .....
  - 12.13 Total book/adjusted carrying value ..... \$ ..... 4,901,430
- 12.2 If, yes provide explanation:  
Rialto Real Estate, BREP VII Commercial Real Estate and FREO Access, LP as shown in Schedule BA .....
- 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? ..... Yes [ X ] No [ ]
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 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 [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 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).  
.....

**GENERAL INTERROGATORIES**

- 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 committee 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 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.....\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 291,626

**INVESTMENT**

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ ] No [ X ]
- 24.02 If no, give full and complete information relating thereto  
The Northern Trust as custodian bank
- 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 ]

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as 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

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 other securities restricted as to sale .....	\$ .....
25.28 On deposit with state or other regulatory body .....	\$ 5,547,045
25.29 Other .....	\$ .....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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? ..... Yes  No  N/A   
 If no, attach a description with this statement.

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
The Northern Trust Co. ....	50 S. LaSalle St., Chicago, IL 60675 .....

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, brokers/dealers or individuals acting on behalf of brokers/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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**GENERAL INTERROGATORIES**

- 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
04314H-50-1	Artisan Funds	2,160,277
298706-10-2	EuroPacific	23,597,300
922908-87-6	Vanguard	4,724,106
01863*-10-4	Alliance Interntl	11,273,886
80042#-11-6	Bernstein Interntl	11,129,613
60923*-10-8	Mondrian	18,837,083
29.2999 - Total		71,722,265

- 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
Artisan Funds	EMCOR Group	66,969	12/31/2012
Artisan Funds	Ryder Systems	62,648	12/31/2012
Artisan Funds	H B Fuller Co.	58,327	12/31/2012
Artisan Funds	FTI Consulting	54,007	12/31/2012
Artisan Funds	Ultratech Inc.	51,847	12/31/2012
EuroPacific	Novo Nordisk A/S	882,539	09/30/2012
EuroPacific	Samsung Electronics	658,365	09/30/2012
EuroPacific	Novartis	474,306	09/30/2012
EuroPacific	Softbank Corp	471,946	09/30/2012
EuroPacific	Bayer AG	415,312	09/30/2012
Vanguard Small Cap	Royal Gold Inc	15,826	12/31/2012
Vanguard Small Cap	Cooper Companies	12,755	12/31/2012
Vanguard Small Cap	Amerigroup Corporation	12,755	12/31/2012
Vanguard Small Cap	Ariba, Inc.	12,755	12/31/2012
Vanguard Small Cap	Oil States International	11,810	12/31/2012
Alliance Interntl	British American Tobacco	464,484	12/31/2012
Alliance Interntl	Capita Group PLC	458,847	12/31/2012
Alliance Interntl	Intertek Group	455,465	12/31/2012
Alliance Interntl	UBS AG	363,019	12/31/2012
Alliance Interntl	Samsung Electronics	346,108	12/31/2012
Bernstein Interntl	BP PLC	407,344	12/31/2012
Bernstein Interntl	Astrazeneca	331,662	12/31/2012
Bernstein Interntl	Royal Dutch Shell	312,742	12/31/2012
Bernstein Interntl	Roche Holdings	260,433	12/31/2012
Bernstein Interntl	Nippon Telegraph & Telephone	231,496	12/31/2012
Mondrian	Cash	527,438	12/31/2012
Mondrian	Canon	506,718	12/31/2012
Mondrian	Iberdrola	469,043	12/31/2012
Mondrian	Total SA EUR	452,090	12/31/2012
Mondrian	Tesco PLC	446,439	12/31/2012

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	2,485,406,317	2,641,481,605	156,075,288
30.2 Preferred stocks			
30.3 Totals	2,485,406,317	2,641,481,605	156,075,288

- 30.4 Describe the sources or methods utilized in determining the fair values:  
Pricing is provided by the custodian bank, The Northern Trust, or by the issuing agent
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes  No
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes  No
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes  No
- 32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....2,023,024

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
Insurance Services Offices, Inc. ....	1,129,086

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

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

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....4,000

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
Radey Thomas Yon & Clark .....	4,000

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND 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 Current Year	2 Prior Year
2.1 Premium Numerator .....	.....	.....
2.2 Premium Denominator .....	1,464,443,609	1,366,475,187
2.3 Premium Ratio (2.1/2.2) .....	0.000	0.000
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator .....	1,827,686,212	1,760,463,682
2.6 Reserve Ratio (2.4/2.5) .....	0.000	0.000

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

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

3.21 Participating policies .....	\$ .....	5,605,393
3.22 Non-participating policies .....	\$ .....	1,513,053,208

4. For mutual reporting Entities and Reciprocal Exchanges Only:

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

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

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

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

5. For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents? ..... Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation.....	Yes [ ]	No [ ]	N/A [ ]
5.22 As a direct expense of the exchange.....	Yes [ ]	No [ ]	N/A [ ]

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

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

5.5 If yes, give full information  
 .....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 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 of loss?  
 We generally write small Worker's Compensation risks and by doing so control this catastrophic exposure. Our average policy premium for Worker's Compensation policy is less than \$3,700. We also purchase a Casualty Clash and Contingency Excess Reinsurance Contract with limits of \$90,000,000 excess of \$10,000,000 with a maximum Worker's Compensation limit of \$11,000,000 any one life. ....
- 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.  
 Auto-Owners Insurance Group used two catastrophic models: Applied Insurance Solutions' CLASIC and Risk Management Solutions'-RMS IRAS. Both models identified our probable maximum loss comes from an event impacting North Carolina, South Carolina, Tennessee, Kentucky, and Georgia. These locations of probable maximum loss have negligible impact on this company. ....
- 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?  
 Auto-Owners has a catastrophic reinsurance program in place which provides \$975,000,000 of coverage for these exposures, excess of \$200,000,000 retention, countrywide. This program covers Auto-Owners, Home-Owners, Owners, Property-Owners, and Southern-Owners Insurance Companies. ....
- 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 [ X ] No [ ]
- 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 uninsured catastrophic loss.  
 .....
- 7.1 Has this 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 ratio 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 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? ..... Yes [ ] No [ X ]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or, ..... Yes [ ] No [ X ]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or ..... Yes [ ] No [ X ]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. .... Yes [ ] No [ X ]
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 ]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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 which 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 [ X ] N/A [ ]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From ..... %
- 12.42 To ..... %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? ..... Yes [ ] No [ X ]
- 12.6 If yes, state the amount thereof at December 31 of the 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): .....\$ ..... 1,000,000
- 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. ....2
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ X ] No [ ]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
The allocation and recording of reinsurance is in accordance to separate reinsurance contracts between the parent and each affiliate company. ....
- 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 [ X ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? ..... Yes [ X ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain:  
.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ 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 AND 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 - P art 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 funds administered as of the reporting date. .... \$ .....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

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

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>					
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)	603,591,994	565,771,737	509,530,963	462,629,857	442,476,414
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	351,236,910	342,672,384	323,478,224	294,160,638	271,889,295
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	723,861,924	650,311,794	578,618,264	518,227,499	483,925,133
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	870,646	717,811	616,448	542,227	489,033
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	1,679,561,475	1,559,473,725	1,412,243,899	1,275,560,222	1,198,779,875
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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)	540,436,626	508,606,677	458,505,184	415,973,104	397,998,708
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	328,419,621	321,548,700	303,125,755	273,889,025	251,133,939
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	648,975,453	589,836,228	527,209,681	471,355,307	437,074,648
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	826,901	681,006	582,453	508,356	455,595
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	1,518,658,601	1,420,672,610	1,289,423,072	1,161,725,791	1,086,662,890
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	24,800,990	(72,049,856)	(14,080,984)	(44,701,072)	(83,898,010)
14. Net investment gain or (loss) (Line 11)	98,065,075	101,897,230	103,859,115	89,044,311	86,611,583
15. Total other income (Line 15)	1,510,057	1,535,552	1,165,285	2,209,202	2,520,163
16. Dividends to policyholders (Line 17)	940,225	891,300	798,600	603,968	520,952
17. Federal and foreign income taxes incurred (Line 19)	30,929,839	2,255,492	16,393,403	(4,600,105)	581,774
18. Net income (Line 20)	92,506,058	28,236,135	73,751,413	50,548,577	4,131,009
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	3,191,708,360	2,993,052,038	2,838,374,083	2,647,778,740	2,440,936,768
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	10,237,333	9,419,041	9,706,083	9,947,248	10,976,039
20.2 Deferred and not yet due (Line 15.2)	276,853,075	243,928,897	228,776,298	212,127,381	212,941,544
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	2,052,405,548	1,976,353,548	1,847,551,698	1,754,263,735	1,647,135,209
22. Losses (Page 3, Line 1)	829,184,390	803,130,843	758,670,605	733,209,553	681,540,667
23. Loss adjustment expenses (Page 3, Line 3)	239,304,645	253,916,863	239,296,848	260,155,526	262,481,022
24. Unearned premiums (Page 3, Line 9)	759,197,177	703,415,976	647,233,849	583,615,887	538,023,182
25. Capital paid up (Page 3, Lines 30 & 31)	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,139,302,813	1,016,698,490	990,822,386	893,515,005	793,801,560
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	152,738,299	148,324,312	115,729,587	171,559,488	158,297,216
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	1,139,302,813	1,016,698,490	990,822,386	893,515,005	793,801,560
29. Authorized control level risk-based capital	112,743,894	103,771,336	92,029,094	89,784,074	84,183,864
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>					
30. Bonds (Line 1)	88.9	90.8	90.0	91.4	92.3
31. Stocks (Lines 2.1 & 2.2)	9.6	8.6	8.8	7.4	6.1
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)	0.8	0.1	0.9	1.0	1.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				XXX	XXX
37. Other invested assets (Line 8)	0.7	0.5	0.3	0.2	0.2
38. Receivables for securities (Line 9)				0.0	
39. Securities lending reinvested collateral assets (Line 10)				XXX	XXX
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule 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)					

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24)	15,498,673	(6,818,256)	14,010,896	17,829,821	(28,805,007)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	122,604,323	25,876,104	97,307,380	99,713,445	(57,161,516)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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)	357,375,316	312,904,493	292,821,777	270,862,186	247,693,929
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	201,151,091	212,342,256	177,561,526	151,697,984	144,431,653
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	486,003,541	632,936,911	443,551,136	419,854,874	392,863,940
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	126,355	208,055	121,656	597,823	272,156
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	1,044,656,304	1,158,391,716	914,056,095	843,012,867	785,261,678
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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)	334,754,125	295,594,000	268,968,722	241,516,416	223,654,104
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	190,909,636	190,949,246	170,959,980	148,249,313	139,014,720
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	379,214,184	413,101,549	371,527,549	344,855,022	322,205,980
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	126,355	208,055	121,656	597,823	272,156
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	905,004,300	899,852,850	811,577,907	735,218,574	685,146,961
<b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	63.6	69.1	68.3	70.7	72.2
68. Loss expenses incurred (Line 3)	6.7	9.0	5.8	7.3	10.6
69. Other underwriting expenses incurred (Line 4)	28.0	27.1	27.0	26.0	25.1
70. Net underwriting gain (loss) (Line 8)	1.7	(5.3)	(1.1)	(4.0)	(7.9)
<b>Other Percentages</b>					
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)	26.9	26.0	25.6	24.7	24.2
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	70.3	78.1	74.1	78.0	82.8
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)	133.3	139.7	130.1	130.0	136.9
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(56,592)	(54,666)	(142,712)	(94,600)	(51,344)
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)	(5.6)	(5.5)	(16.0)	(11.9)	(6.0)
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(99,203)	(172,101)	(207,475)	(100,849)	(77,334)
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)	(10.0)	(19.3)	(26.1)	(11.9)	(10.2)

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: .....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY  
**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						10 Salvage and Subrogation Received	11 Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4	5	6	7	8	9			
1. Prior	XXX	XXX	XXX	6,302	4,497	2,986	1,961	133		151	2,963	XXX
2. 2003	809,892	196,136	613,756	475,768	146,502	33,991	10,110	29,489	1,669	16,143	380,967	XXX
3. 2004	945,228	177,431	767,797	575,125	197,028	33,848	8,753	40,935	6,339	18,468	437,788	XXX
4. 2005	1,017,781	124,940	892,841	531,382	68,690	35,586	5,866	32,911	760	18,419	524,563	XXX
5. 2006	1,085,045	102,027	983,018	571,364	34,838	33,265	1,843	36,323	611	19,317	603,660	XXX
6. 2007	1,136,704	113,995	1,022,709	662,477	53,460	35,323	2,447	38,984	1,173	22,347	679,704	XXX
7. 2008	1,167,211	110,212	1,056,999	815,207	100,015	35,189	1,855	47,148	3,849	23,062	791,825	XXX
8. 2009	1,224,034	111,265	1,112,769	814,877	67,332	30,623	839	49,005	2,428	23,847	823,906	XXX
9. 2010	1,345,384	119,915	1,225,469	894,751	98,105	23,967	980	56,213	3,441	27,298	872,405	XXX
10. 2011	1,502,399	135,924	1,366,475	1,043,701	254,638	16,797	1,088	72,603	11,024	26,966	866,351	XXX
11. 2012	1,622,607	158,163	1,464,444	649,696	66,581	6,771	181	52,581	3,401	14,661	638,885	XXX
12. Totals	XXX	XXX	XXX	7,040,650	1,091,686	288,346	35,923	456,325	34,695	210,679	6,623,017	XXX

	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		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1. Prior	12,817	11,562			5,192	3,790			224		967	2,881	XXX
2. 2003	6,522	5,353	2,653	2,084	1,817	857	569	199	179		185	3,247	XXX
3. 2004	9,062	6,812	3,621	1,980	3,317	2,424	802	187	294		143	5,693	XXX
4. 2005	12,284	7,150	4,416	1,396	4,424	1,884	939	138	387		379	11,882	XXX
5. 2006	20,643	8,985	5,307	20	8,054	2,351	1,355	9	597		1,063	24,591	XXX
6. 2007	27,942	10,888	7,097	30	10,035	3,342	1,900	13	802		1,558	33,503	XXX
7. 2008	41,131	11,857	10,640	46	12,716	3,141	2,914	21	1,221		2,744	53,557	XXX
8. 2009	77,052	22,422	16,958	91	21,038	4,383	4,340	32	2,450		3,832	94,910	XXX
9. 2010	97,387	12,943	29,159	190	24,919	1,562	8,421	67	3,340		6,932	148,464	XXX
10. 2011	156,372	27,681	62,885	1,195	35,364	2,811	16,687	159	6,045		18,692	245,507	XXX
11. 2012	224,006	28,862	168,991	6,215	41,244	3,249	37,578	460	11,214		29,816	444,247	XXX
12. Totals	685,218	154,515	311,727	13,247	168,120	29,794	75,505	1,285	26,753		66,311	1,068,482	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred / Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,255	1,626
2. 2003	550,988	166,774	384,214	68.0	85.0	62.6				1,738	1,509
3. 2004	667,004	223,523	443,481	70.6	126.0	57.8				3,891	1,802
4. 2005	622,329	85,884	536,445	61.1	68.7	60.1				8,154	3,728
5. 2006	676,908	48,657	628,251	62.4	47.7	63.9				16,945	7,646
6. 2007	784,560	71,353	713,207	69.0	62.6	69.7				24,121	9,382
7. 2008	966,166	120,784	845,382	82.8	109.6	80.0				39,868	13,689
8. 2009	1,016,343	97,527	918,816	83.0	87.7	82.6				71,497	23,413
9. 2010	1,138,157	117,288	1,020,869	84.6	97.8	83.3				113,413	35,051
10. 2011	1,410,454	298,596	1,111,858	93.9	219.7	81.4				190,381	55,126
11. 2012	1,192,081	108,949	1,083,132	73.5	68.9	74.0				357,920	86,327
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	829,183	239,299

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.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**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 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior.....	246,720	275,322	272,077	260,363	260,022	250,820	231,487	203,732	204,334	202,766	(1,568)	(966)
2. 2003.....	387,871	376,476	370,143	375,201	367,900	364,731	361,929	355,288	356,797	356,217	(580)	929
3. 2004.....	XXX	451,168	428,013	433,540	429,708	424,612	417,933	410,552	408,302	408,591	289	(1,961)
4. 2005.....	XXX	XXX	567,500	525,313	523,443	525,592	519,856	504,687	503,201	503,908	707	(779)
5. 2006.....	XXX	XXX	XXX	670,026	624,116	621,354	626,137	600,283	596,830	591,944	(4,886)	(8,339)
6. 2007.....	XXX	XXX	XXX	XXX	757,435	724,172	704,434	686,559	679,904	674,594	(5,310)	(11,965)
7. 2008.....	XXX	XXX	XXX	XXX	XXX	879,889	834,794	822,595	812,163	800,862	(11,301)	(21,733)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	919,550	889,712	882,486	869,788	(12,698)	(19,924)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	999,224	973,947	964,759	(9,188)	(34,465)
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,056,292	1,044,235	(12,057)	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,022,737	XXX	XXX
12. Totals											(56,592)	(99,203)

**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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior.....	.000	57,416	102,446	133,592	157,742	175,648	185,951	192,425	197,279	200,108	XXX	XXX
2. 2003.....	221,822	283,981	308,549	325,799	334,721	343,118	347,549	349,717	351,736	353,147	XXX	XXX
3. 2004.....	XXX	248,205	330,577	359,134	378,934	389,371	395,432	398,661	401,460	403,193	XXX	XXX
4. 2005.....	XXX	XXX	298,934	398,777	437,629	459,998	474,584	482,110	486,851	492,412	XXX	XXX
5. 2006.....	XXX	XXX	XXX	324,810	453,663	502,267	531,578	547,660	562,898	567,949	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	389,924	527,229	579,957	615,938	630,660	641,892	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	475,717	626,190	684,048	721,437	748,526	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	505,877	675,328	735,183	777,328	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	553,007	741,545	819,633	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	615,115	804,772	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	589,705	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 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior.....	105,943	104,105	88,034	80,335	68,604	46,899	31,853	2,537	1,077	
2. 2003.....	71,325	33,813	18,510	20,419	13,098	10,340	8,721	1,753	1,613	939
3. 2004.....	XXX	96,054	38,935	26,288	23,175	17,850	11,939	3,655	2,837	2,256
4. 2005.....	XXX	XXX	135,565	52,512	29,981	28,163	21,620	6,473	5,201	3,821
5. 2006.....	XXX	XXX	XXX	181,878	76,002	39,222	37,500	12,480	9,244	6,634
6. 2007.....	XXX	XXX	XXX	XXX	191,979	87,101	40,676	19,748	14,516	8,954
7. 2008.....	XXX	XXX	XXX	XXX	XXX	200,104	86,408	34,831	22,267	13,487
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	193,438	76,359	39,884	21,175
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	195,783	85,016	37,324
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	214,100	78,218
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	199,893

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE OWNERS INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L	89,940,943	88,002,159	51,957,850	45,592,750	47,622,523	202,343	
2. Alaska	AK	N							
3. Arizona	AZ	L	43,325,906	43,451,966	23,055,115	19,903,534	26,656,496	90,857	
4. Arkansas	AR	L	8,467,276	6,969,945	2,496,864	3,526,504	3,616,691	11,436	
5. California	CA	N							
6. Colorado	CO	L	55,778,431	53,805,329	47,955,576	48,178,062	26,751,250	84,208	
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	L	74,569,765	70,217,643	54,698,676	54,000,428	60,125,509	190,527	
11. Georgia	GA	L	205,847,122	194,462,306	100,874,794	107,446,793	123,237,455	568,523	
12. Hawaii	HI	N							
13. Idaho	ID	L	5,009,546	4,811,811	2,485,442	1,855,687	2,777,503	20,345	
14. Illinois	IL	L	148,504,714	144,451,343	95,466,575	94,466,526	133,301,610	293,655	
15. Indiana	IN	L	55,545,691	53,600,012	42,259,380	43,894,080	19,273,034	136,577	
16. Iowa	IA	L	70,170,329	67,817,841	39,113,003	32,557,440	26,452,200	119,872	
17. Kansas	KS	L	5,859,892	4,969,349	2,053,288	(872,611)	4,585,725	10,294	
18. Kentucky	KY	L	65,129,238	63,930,742	64,260,280	63,464,907	36,177,446	159,415	
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	L							
24. Minnesota	MN	L	241,426,020	234,087,905	140,553,844	134,442,200	114,060,306	364,687	
25. Mississippi	MS	L							
26. Missouri	MO	L	50,242,837	48,799,430	36,709,990	33,412,762	39,039,360	89,095	
27. Montana	MT	N							
28. Nebraska	NE	L	24,440,042	24,120,600	21,064,393	20,459,696	10,635,970	47,964	
29. Nevada	NV	L							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	L							
33. New York	NY	N							
34. North Carolina	NC	L	108,048,053	105,512,609	56,647,065	57,652,705	53,996,067	240,393	
35. North Dakota	ND	L	26,891,570	25,332,101	9,374,439	11,226,672	10,410,688	25,072	
36. Ohio	OH	L	98,363,909	97,301,281	72,083,613	75,039,986	57,449,574	333,506	
37. Oklahoma	OK	N							
38. Oregon	OR	L							
39. Pennsylvania	PA	L	1,646,626	1,299,141	652,186	910,689	1,019,329	4,103	
40. Rhode Island	RI	N							
41. South Carolina	SC	L	89,186,639	85,657,700	54,935,652	55,264,943	49,430,851	237,447	
42. South Dakota	SD	L	21,057,305	20,712,925	12,811,980	13,318,119	14,162,328	24,988	
43. Tennessee	TN	L	41,119,609	39,020,922	30,411,756	27,977,709	32,569,408	91,121	
44. Texas	TX	N							
45. Utah	UT	L	47,717,095	46,649,085	25,812,332	20,968,774	37,835,481	100,199	
46. Vermont	VT	N							
47. Virginia	VA	L	22,258,337	21,514,078	12,786,897	13,260,996	11,374,475	70,164	
48. Washington	WA	L							
49. West Virginia	WV	N							
50. Wisconsin	WI	L	77,370,383	74,442,601	940,225	43,333,010	53,927,244	54,236,961	117,652
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	XXX							
59. Totals	(a) 31		1,677,917,275	1,620,940,825	940,225	1,043,854,002	1,031,876,598	996,798,239	3,634,443
DETAILS OF WRITE-INS									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX							
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX							

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

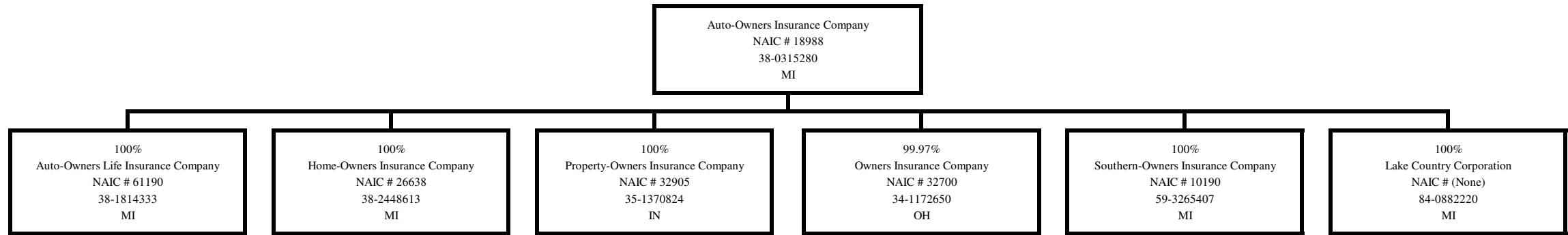
Explanation of basis of allocation of premiums by states, etc.

Allocated by state according to location of exposure.

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

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

**PART 1 - ORGANIZATIONAL CHART**



**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. IGA Special Assessment .....	634,498		634,498	604,532
2597. Summary of remaining write-ins for Line 25 from overflow page	634,498		634,498	604,532

## ALPHABETICAL INDEX

### ANNUAL STATEMENT BLANK

Assets .....	2
Cash Flow .....	5
Exhibit of Capital Gains (Losses) .....	12
Exhibit of Net Investment Income .....	12
Exhibit of Nonadmitted Assets .....	13
Exhibit of Premiums and Losses (State Page) .....	19
Five-Year Historical Data .....	17
General Interrogatories .....	15
Jurat Page .....	1
Liabilities, Surplus and Other Funds .....	3
Notes To Financial Statements .....	14
Overflow Page For Write-ins .....	101
Schedule A - Part 1 .....	E01
Schedule A - Part 2 .....	E02
Schedule A - Part 3 .....	E03
Schedule A - Verification Between Years .....	SI02
Schedule B - Part 1 .....	E04
Schedule B - Part 2 .....	E05
Schedule B - Part 3 .....	E06
Schedule B - Verification Between Years .....	SI02
Schedule BA - Part 1 .....	E07
Schedule BA - Part 2 .....	E08
Schedule BA - Part 3 .....	E09
Schedule BA - Verification Between Years .....	SI03
Schedule D - Part 1 .....	E10
Schedule D - Part 1A - Section 1 .....	SI05
Schedule D - Part 1A - Section 2 .....	SI08
Schedule D - Part 2 - Section 1 .....	E11
Schedule D - Part 2 - Section 2 .....	E12
Schedule D - Part 3 .....	E13
Schedule D - Part 4 .....	E14
Schedule D - Part 5 .....	E15
Schedule D - Part 6 - Section 1 .....	E16
Schedule D - Part 6 - Section 2 .....	E16
Schedule D - Summary By Country .....	SI04
Schedule D - Verification Between Years .....	SI03
Schedule DA - Part 1 .....	E17
Schedule DA - Verification Between Years .....	SI10
Schedule DB - Part A - Section 1 .....	E18
Schedule DB - Part A - Section 2 .....	E19
Schedule DB - Part A - Verification Between Years .....	SI11
Schedule DB - Part B - Section 1 .....	E20
Schedule DB - Part B - Section 2 .....	E21
Schedule DB - Part B - Verification Between Years .....	SI11
Schedule DB - Part C - Section 1 .....	SI12
Schedule DB - Part C - Section 2 .....	SI13
Schedule DB - Part D .....	E22
Schedule DB - Verification .....	SI14
Schedule DL - Part 1 .....	E23
Schedule DL - Part 2 .....	E24
Schedule E - Part 1 - Cash .....	E25
Schedule E - Part 2 - Cash Equivalents .....	E26
Schedule E - Part 3 - Special Deposits .....	E27
Schedule E - Verification Between Years .....	SI15
Schedule F - Part 1 .....	20
Schedule F - Part 2 .....	21
Schedule F - Part 3 .....	22
Schedule F - Part 4 .....	23
Schedule F - Part 5 .....	24
Schedule F - Part 6 - Section 1 .....	25
Schedule F - Part 6 - Section 2 .....	27
Schedule F - Part 7 .....	28
Schedule F - Part 8 .....	29
Schedule F - Part 9 .....	30

**ANNUAL STATEMENT BLANK (Continued)**

Schedule H - Accident and Health Exhibit - Part 1 .....	31
Schedule H - Part 2, Part 3 and 4 .....	32
Schedule H - Part 5 - Health Claims .....	33
Schedule P - Part 1 - Summary .....	34
Schedule P - Part 1A - Homeowners/Farmowners .....	36
Schedule P - Part 1B - Private Passenger Auto Liability/Medical .....	37
Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical .....	38
Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	39
Schedule P - Part 1E - Commercial Multiple Peril .....	40
Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence .....	41
Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made .....	42
Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery) .....	43
Schedule P - Part 1H - Section 1 - Other Liability - Occurrence .....	44
Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made .....	45
Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft) .....	46
Schedule P - Part 1J - Auto Physical Damage .....	47
Schedule P - Part 1K - Fidelity/Surety .....	48
Schedule P - Part 1L - Other (Including Credit, Accident and Health) .....	49
Schedule P - Part 1M - International .....	50
Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property .....	51
Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability .....	52
Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines .....	53
Schedule P - Part 1R - Section 1 - Products Liability - Occurrence .....	54
Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made .....	55
Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty .....	56
Schedule P - Part 1T - Warranty .....	57
Schedule P - Part 2, Part 3 and Part 4 - Summary .....	35
Schedule P - Part 2A - Homeowners/Farmowners .....	58
Schedule P - Part 2B - Private Passenger Auto Liability/Medical .....	58
Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical .....	58
Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	58
Schedule P - Part 2E - Commercial Multiple Peril .....	58
Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence .....	59
Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made .....	59
Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....	59
Schedule P - Part 2H - Section 1 - Other Liability - Occurrence .....	59
Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made .....	59
Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft) .....	60
Schedule P - Part 2J - Auto Physical Damage .....	60
Schedule P - Part 2K - Fidelity, Surety .....	60
Schedule P - Part 2L - Other (Including Credit, Accident and Health) .....	60
Schedule P - Part 2M - International .....	60
Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property .....	61
Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability .....	61
Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines .....	61
Schedule P - Part 2R - Section 1 - Products Liability - Occurrence .....	62
Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made .....	62
Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty .....	62
Schedule P - Part 2T - Warranty .....	62
Schedule P - Part 3A - Homeowners/Farmowners .....	63
Schedule P - Part 3B - Private Passenger Auto Liability/Medical .....	63
Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical .....	63
Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	63
Schedule P - Part 3E - Commercial Multiple Peril .....	63
Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence .....	64
Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made .....	64
Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....	64
Schedule P - Part 3H - Section 1 - Other Liability - Occurrence .....	64
Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made .....	64
Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft) .....	65
Schedule P - Part 3J - Auto Physical Damage .....	65
Schedule P - Part 3K - Fidelity/Surety .....	65
Schedule P - Part 3L - Other (Including Credit, Accident and Health) .....	65
Schedule P - Part 3M - International .....	65
Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property .....	66
Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability .....	66
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines .....	66
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence .....	67
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made .....	67
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty .....	67
Schedule P - Part 3T - Warranty .....	67

**ANNUAL STATEMENT BLANK (Continued)**

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