



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2013
OF THE CONDITION AND AFFAIRS OF THE

WESTERN RESERVE MUTUAL CASUALTY COMPANY

NAIC Group Code	0207 (Current Period)	0207 (Prior Period)	NAIC Company Code	26131	Employer's ID Number	34-0613930
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	06/29/1937		Commenced Business	07/30/1937		
Statutory Home Office	1685 Cleveland Road (Street and Number)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)			
Main Administrative Office	1685 Cleveland Road (Street and Number)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Mail Address	1685 Cleveland Road (Street and Number or P.O. Box)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1685 Cleveland Road (Street and Number)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)		330-262-9060-2437 (Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Brooke M. McVay, CPA (Name)		330-262-9060-2446 (Area Code) (Telephone Number) (Extension)		330-264-7822 (Fax Number)	
	brooke_mcvay@wrg-ins.com (E-mail Address)					

OFFICERS

Name	Title	Name	Title
KEVIN W. DAY #	PRESIDENT AND SECRETARY - CHIEF EXECUTIVE OFFICER	MICHAEL A. SHUTT	VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER

OTHER OFFICERS

GREGORY A. BRUNN	VICE PRESIDENT-CHIEF MARKETING & UNDERWRITING OFFICER	GARY W. GWINN #	VICE PRESIDENT-CHIEF CLAIMS OFFICER
GREGORY J. OWEN	VICE PRESIDENT-CHIEF INFORMATION OFFICER		

DIRECTORS OR TRUSTEES

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

State ofOhio.....

County ofWayne.....ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

KEVIN W. DAY
PRESIDENT AND SECRETARY -CHIEF
EXECUTIVE OFFICERMICHAEL A. SHUTT
VICE PRESIDENT AND TREASURER -CHIEF
FINANCIAL OFFICER

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

b. If no:

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

Subscribed and sworn to before me this
14 day of August, 2013Lauresa Durham, Notary Public
July 30, 2016

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	87,653,719		87,653,719	80,202,838
2. Stocks:				
2.1 Preferred stocks	1,022,824		1,022,824	1,642,768
2.2 Common stocks	48,271,938	288,652	47,983,286	45,993,165
3. Mortgage loans on real estate:				
3.1 First liens	0		0	0
3.2 Other than first liens	0		0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	7,681,450		7,681,450	7,790,881
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$ (10,118,734)), cash equivalents (\$ 0) and short-term investments (\$ 492,823)	(9,625,911)		(9,625,911)	(6,939,263)
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	5,406,124	1,722,929	3,683,195	3,748,180
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets	0		0	0
11. Aggregate write-ins for invested assets	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	140,410,144	2,011,581	138,398,563	132,438,569
13. Title plants less \$ charged off (for Title insurers only)	0		0	0
14. Investment income due and accrued	878,673		878,673	843,133
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	27,471,236	187,062	27,284,174	25,001,501
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	0		0	0
15.3 Accrued retrospective premiums	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	442,853		442,853	1,227,694
16.2 Funds held by or deposited with reinsured companies	0		0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	1,400,000		1,400,000	0
18.2 Net deferred tax asset	0		0	1,598,838
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software	674,982		674,982	411,696
21. Furniture and equipment, including health care delivery assets (\$)	101,484	101,484	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	249,761
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	0	.0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	171,379,372	2,300,127	169,079,245	161,771,192
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	171,379,372	2,300,127	169,079,245	161,771,192
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 7,384,953)	22,172,593	21,571,591
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	4,511,248	4,511,248
4. Commissions payable, contingent commissions and other similar charges	1,879,328	2,024,623
5. Other expenses (excluding taxes, licenses and fees)	1,688,235	1,838,266
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	509,536	895,017
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	75
7.2 Net deferred tax liability	652,126	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 613,650 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)	34,469,998	33,094,446
10. Advance premium	587,057	479,575
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(406,647)	568,620
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	3,238,006	4,063,002
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ 0 certified)	213,119	213,119
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	339,792	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	29,791
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	69,854,391	69,289,373
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	69,854,391	69,289,373
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	99,224,854	92,481,819
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	99,224,854	92,481,819
38. Totals (Page 2, Line 28, Col. 3)	169,079,245	161,771,192
DETAILS OF WRITE-INS		
2501. Option Liability	0	14,748
2502. Deferred Option Income	0	15,043
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	29,791
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 52,594,929)	51,256,287	48,058,570	98,335,458
1.2 Assumed (written \$ 37,116,734)	35,741,184	30,854,510	60,353,970
1.3 Ceded (written \$ 52,594,929)	51,256,287	45,400,691	91,509,080
1.4 Net (written \$ 37,116,734)	35,741,184	33,512,389	67,180,348
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 17,703,499):			
2.1 Direct	24,619,709	31,189,211	69,256,225
2.2 Assumed	17,632,096	20,851,614	65,943,493
2.3 Ceded	24,619,709	29,250,968	89,548,770
2.4 Net	17,632,096	22,789,857	45,650,948
3. Loss adjustment expenses incurred	3,240,994	3,110,751	7,176,988
4. Other underwriting expenses incurred	11,563,468	11,203,599	23,034,352
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	32,436,558	37,104,207	75,862,288
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	3,304,626	(3,591,818)	(8,681,940)
INVESTMENT INCOME			
9. Net investment income earned	1,710,799	1,880,848	3,811,679
10. Net realized capital gains (losses) less capital gains tax of \$ 207,946	403,659	129,870	397,897
11. Net investment gain (loss) (Lines 9 + 10)	2,114,458	2,010,718	4,209,576
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 30,055)	(30,055)	(32,681)	(66,107)
13. Finance and service charges not included in premiums	575,419	574,541	1,113,607
14. Aggregate write-ins for miscellaneous income	870	1,309	(2,374)
15. Total other income (Lines 12 through 14)	546,234	543,169	1,045,126
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,965,318	(1,037,931)	(3,427,238)
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	5,965,318	(1,037,931)	(3,427,238)
19. Federal and foreign income taxes incurred	(207,946)	(66,903)	(204,974)
20. Net income (Line 18 minus Line 19)(to Line 22)	6,173,264	(971,028)	(3,222,264)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	92,481,819	92,303,052	92,303,052
22. Net income (from Line 20)	6,173,264	(971,028)	(3,222,264)
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 856,850	1,663,296	1,010,775	1,641,887
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(1,361,299)	520,702	1,532,434
27. Change in nonadmitted assets	189,326	29,029	241,458
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	78,448	48,873	(14,748)
38. Change in surplus as regards policyholders (Lines 22 through 37)	6,743,035	638,351	178,767
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	99,224,854	92,941,403	92,481,819
DETAILS OF WRITE-INS			
0501.		0	0
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income (Expense)	.870	(1,474)	(5,157)
1402. Gain/(Loss) Sale of Equipment	0	2,783	2,783
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	870	1,309	(2,374)
3701. Change in Surplus Due to Adoption of SSAP No. 10R	0	48,873	0
3702. Change in Option Liability	14,748	0	(14,748)
3703. Change in Surplus Due to Adoption of SSAP No. 102 less deferred tax of \$32,815	.63,700	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	78,448	48,873	(14,748)

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	33,900,920	32,925,779	67,382,980
2. Net investment income.....	1,743,289	1,907,628	4,181,320
3. Miscellaneous income.....	546,234	543,169	1,045,126
4. Total (Lines 1 to 3).....	36,190,443	35,376,576	72,609,426
5. Benefit and loss related payments.....	16,180,110	21,317,834	44,897,511
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	15,463,174	15,166,448	29,148,496
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	1,400,000	0	(75)
10. Total (Lines 5 through 9).....	33,043,284	36,484,282	74,045,932
11. Net cash from operations (Line 4 minus Line 10).....	3,147,159	(1,107,706)	(1,436,506)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	5,988,838	4,789,684	10,616,084
12.2 Stocks.....	13,052,257	6,427,365	15,781,488
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	502,793	127,376	258,132
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	338,613	0	26,317
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	19,882,501	11,344,425	26,682,021
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	13,466,370	6,489,321	10,219,638
13.2 Stocks.....	11,533,720	7,796,186	17,845,754
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	1,743	1,798	12,730
13.5 Other invested assets.....	131,000	0	0
13.6 Miscellaneous applications.....	195,409	1	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	25,328,242	14,287,306	28,078,122
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(5,445,741)	(2,942,881)	(1,396,101)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	(388,066)	(425,287)	(875,272)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(388,066)	(425,287)	(875,272)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(2,686,648)	(4,475,874)	(3,707,879)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(6,939,263)	(3,231,384)	(3,231,384)
19.2 End of period (Line 18 plus Line 19.1).....	(9,625,911)	(7,707,258)	(6,939,263)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Western Reserve Mutual Casualty Company (WRMCC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

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

No significant changes.

C. Accounting Policy

No significant changes.

2. Accounting Changes and Corrections of Errors

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual are reported as changes in accounting principles. The cumulative effect of the changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all periods.

Effective January 1, 2013 the Company adopted the provisions of SSAP No. 102, *Accounting for Pensions, A Replacement of SSAP No. 89*. As a result, the Company recorded an adjustment to unassigned funds (surplus) net of deferred tax (\$32,815) of \$63,700.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

Not applicable.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Real Estate

Not applicable.

G. Low-income Housing Tax Credits (LIHTC)

Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

7. Investment Income

No significant changes.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

No significant changes.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at June 30, 2013 and December 31, 2012 are as follows:

1.

	<u>06/30/2013</u>		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 6,217,746	\$ 921,406	\$ 7,139,152
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	6,217,746	921,406	7,139,152
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	6,217,746	921,406	7,139,152
(f) Deferred Tax Liabilities	(481,218)	(7,310,060)	(7,791,278)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 5,736,528</u>	<u>\$ (6,388,654)</u>	<u>\$ (652,126)</u>
	<u>12/31/2012</u>		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(h) Gross Deferred Tax Assets	\$ 7,594,957	\$ 890,116	\$ 8,485,073
(i) Statutory Valuation Allowance Adjustments	-	-	-
(j) Adjusted Gross Deferred Tax Assets (1a – 1b)	7,594,957	890,116	8,485,073
(k) Deferred Tax Assets Nonadmitted	-	-	-
(l) Subtotal Net Deferred Tax Asset (1c – 1d)	7,594,957	890,116	8,485,073
(m) Deferred Tax Liabilities	(433,025)	(6,453,210)	(6,886,235)
(n) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 7,161,932</u>	<u>\$ (5,563,094)</u>	<u>\$ 1,598,838</u>
	<u>Change</u>		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ (1,377,211)	\$ 31,290	\$ (1,345,921)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(1,377,211)	31,290	(1,345,921)
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	(1,377,211)	31,290	(1,345,921)
(f) Deferred Tax Liabilities	(48,193)	(856,850)	(905,043)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ (1,425,404)</u>	<u>\$ (825,560)</u>	<u>\$ (2,250,964)</u>

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101

	06/30/2013		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(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)	2,218,106	-	2,218,106
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,218,106	-	2,218,106
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	14,782,481
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	4,921,046	-	4,921,046
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 7,139,152</u>	<u>\$ -</u>	<u>\$ 7,139,152</u>
	12/31/2012		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(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)	2,218,106	-	2,218,106
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,218,106	-	2,218,106
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	11,862,759
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	6,266,967	-	6,266,967
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 8,485,073</u>	<u>\$ -</u>	<u>\$ 8,485,073</u>
	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(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.	XXX	XXX	2,919,722
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>(1,345,921)</u>	<u>-</u>	<u>(1,345,921)</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ (1,345,921)</u>	<u>\$ -</u>	<u>\$ (1,345,921)</u>

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

	<u>06/30/2013</u>	<u>12/31/2012</u>
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 98,549,872	\$ 90,882,981

3. Impact of Tax-Planning Strategies

	<u>06/30/2013</u>		
	(1)	(2)	(3)
	Ordinary Percent	Capital Percent	(Col 1+2) Total Percent
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	-	-	-
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	-	-	-

	<u>12/31/2012</u>		
	(4)	(5)	(6)
	Ordinary Percent	Capital Percent	(Col 4+5) Total Percent
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	-	-	-
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	-	-	-

	<u>Change</u>		
	(7)	(8)	(9)
	Ordinary Percent	Capital Percent	(Col 7+8) Total Percent
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	-	-	-
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	-	-	-
(c) Does the Company's tax-planning strategies include the use of reinsurance?	Yes	<u> </u>	No <u>X</u>

B. The Company has no temporary differences for which deferred tax liabilities are not recognized.

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	06/30/2013	12/31/2012	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 1,687,497	\$ (595,692)	\$ 2,283,189
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal	\$ 1,687,497	\$ (595,692)	\$ 2,283,189
(d) Federal income tax on net capital gains	\$ 207,946	\$ 561,378	\$ (353,432)
(e) Utilization of operating loss carry-forwards	\$ (1,895,443)	\$ -	\$ (1,895,443)
(f) Other (incl. prior year over/under accrual)	\$ -	\$ -	\$ -
(g) Federal and foreign income taxes incurred	<u>\$ -</u>	<u>\$ (34,314)</u>	<u>\$ 34,314</u>

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	<u>06/30/2013</u>	<u>12/31/2012</u>	<u>(Col 1-2) Change</u>
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 488,483	\$ 488,483	\$ -
(2) Unearned premium reserve	\$ 2,343,960	\$ 2,250,422	\$ 93,538
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ -	\$ -	\$ -
(5) Deferred acquisition costs	\$ -	\$ -	\$ -
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Equipment - nonadmitted	\$ -	\$ -	\$ -
(8) Compensation and benefits accrual	\$ 990,732	\$ 1,118,671	\$ (127,939)
(9) Pension accrual	\$ 208,878	\$ 243,390	\$ (34,512)
(10) Receivables – nonadmitted	\$ 649,397	\$ -	\$ 649,397
(11) Net operating loss carry-forward	\$ 244,231	\$ 2,139,674	\$ (1,895,443)
(12) Tax credit carry-forward	\$ 235,229	\$ 356,296	\$ (121,067)
(13) Salvage and subrogation anticipated	\$ 731,983	\$ 731,983	\$ -
(14) Other (including items <5% of total ordinary tax assets)	\$ 324,853	\$ 266,038	\$ 58,815
Subtotal	\$ 6,217,746	\$ 7,594,957	\$ (1,377,211)
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ -	\$ -	\$ -
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 6,217,746</u>	<u>\$ 7,594,957</u>	<u>\$ (1,377,211)</u>
(e) Capital:			
(1) Investments	\$ -	\$ -	\$ -
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Unrealized capital losses for impaired securities	\$ 921,406	\$ 890,116	\$ 31,290
(5) Other (including items <5% of total capital tax assets)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 921,406	\$ 890,116	\$ 31,290
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 921,406</u>	<u>\$ 890,116</u>	<u>\$ 31,290</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 7,139,152</u>	<u>\$ 8,485,073</u>	<u>\$ (1,345,921)</u>
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Investments	\$ (348,162)	\$ (334,670)	\$ (13,492)
(2) Fixed assets	\$ -	\$ -	\$ -
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ -	\$ -	\$ -
(5) Accumulated amortization software	\$ (126,655)	\$ (91,954)	\$ (34,701)
(6) Other (including items <5% of total ordinary tax liabilities)	\$ (6,401)	\$ (6,401)	\$ -
(99) Subtotal	\$ (481,218)	\$ (433,025)	\$ (48,193)
(b) Capital:			
(1) Investments	\$ -	\$ -	\$ -
(2) Real estate	\$ -	\$ -	\$ -
(3) Unrealized capital gains	\$ (7,310,060)	\$ (6,453,210)	\$ (856,850)
(4) Other (including items <5% of total capital tax liabilities)	\$ -	\$ -	\$ -
(99) Subtotal	\$ (7,310,060)	\$ (6,453,210)	\$ (856,850)
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (7,791,278)</u>	<u>\$ (6,886,235)</u>	<u>\$ (905,043)</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ (652,126)</u>	<u>\$ 1,598,838</u>	<u>\$ (2,250,964)</u>

NOTES TO FINANCIAL STATEMENTS

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. Among the more significant book to tax adjustments were the following:

	<u>06/30/2013</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 2,098,910	34.0%
Tax exempt income deduction	(107,824)	(1.8%)
Dividends received deduction	(107,409)	(1.7%)
Tax differentials on foreign earnings	-	0.0%
Nondeductible goodwill	-	0.0%
Other	(489,563)	(7.9)%
Total	<u>\$ 1,394,114</u>	<u>22.6%</u>
 Federal and foreign income taxes incurred	 \$ (207,946)	 (3.4%)
Tax on capital gains (losses)	207,946	3.4%
Change in net deferred income taxes	<u>1,394,114</u>	<u>22.6%</u>
Total statutory income taxes	<u>\$ 1,394,114</u>	<u>22.6%</u>

E. Carry-forwards, recoverable taxes, and IRC §6603 deposits:

(1) As of June 30, 2013, the Company had net operating loss carry-forwards available for tax purposes:

Origination Year	Expiration Year	Amount
2010	2030	\$ -
2011	2031	\$ -
2012	2032	\$ 718,325
Total		<u>\$ 718,325</u>

The Company has no net capital loss carry-forwards available for tax purposes.

As of June 30, 2013, the Company had alternative minimum tax (AMT) credit carry-forwards in the amount of \$235,229 which do not have an expiration date.

(2) As of June 30, 2013, the Company had no federal income taxes incurred available for recoupment in the event of future net losses.

(3) The Company has no deposits reported as admitted assets under IRC §6603 as June 30, 2013.

F. The Company files an individual federal income tax return.

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At June 30, 2013 there was an intercompany payable of \$339,792 due to its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. No significant changes.
- G. No significant changes.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. No significant changes.

11. Debt

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

A. Defined Benefit Plan / Other than Postretirement Benefit Plans

The Company has a non-qualified, unfunded, directors' retirement plan and a retiree healthcare plan which is closed to new participants. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts under the Annual Incentive Plan and Performance Share Plan for Key Executives. As of June 30, 2013 and December 31, 2012, amounts held for these deferrals were \$7.8 million and \$10.0 million, respectively.

B. Defined Contribution Plan

No significant changes.

C. Multiemployer Plans

Not applicable.

D. Consolidated/Holding Company Plans

Not applicable.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

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

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses before tax is \$21.5 million.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

NOTES TO FINANCIAL STATEMENTS

14. Contingencies

- A. Contingent Commitments
Not applicable.
- B. Assessments
No significant changes.
- C. Gain Contingencies
Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
No significant changes.
- E. Product Warranties
Not applicable.
- F. All Other Contingencies
Not applicable.

15. Leases

No significant changes.

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

Not applicable.

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

- A. Transfers of Receivables Reported as Sales
Not applicable.
- B. Transfer and Servicing of Financial Assets
Not applicable.
- C. Wash Sales
Not applicable.

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

- A. Administrative Services Only (ASO) Plans
Not applicable.
- B. Administrative Services Contract (ASC) Plans
Not applicable.
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract
Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

A. The company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820 (SFAS No. 157), *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1:

Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2:

Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3:

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(1) Fair Value Measurements at June 30, 2013:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred stock:				
Industrial and Misc	\$ 1,022,824	\$ -	\$ -	\$ 1,022,824
Total Perpetual Preferred Stock	1,022,824	-	-	1,022,824
Redeemable Preferred stock:				
Industrial and Misc	-	-	-	-
Total Redeemable Preferred Stock	-	-	-	-
Bonds:				
Industrial and Misc	-	828,000	-	828,000
Total Bonds	-	828,000	-	828,000
Common stock:				
Mutual Funds	19,592,460	5,479	-	19,597,939
Industrial and Misc	28,295,223	90,124	-	28,385,347
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Common Stocks	47,887,683	95,603	-	47,983,286
Other Invested Assets	-	-	3,683,195	3,683,195
Total assets at fair value	<u>\$ 48,910,507</u>	<u>\$ 923,603</u>	<u>\$ 3,683,195</u>	<u>\$ 53,517,305</u>
b. Liabilities at fair value:				
Derivative liabilities	-	-	-	-
Total liabilities at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements at December 31, 2012:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred stock:				
Industrial and Misc	\$ 1,257,752	\$ -	\$ -	\$ 1,257,752
Total Perpetual Preferred Stock	1,257,752	-	-	1,257,752
Redeemable Preferred stock:				
Industrial and Misc	385,016	-	-	385,016
Total Redeemable Preferred Stock	385,016	-	-	385,016
Bonds:				
Industrial and Misc	841,942	-	-	841,942
Total Bonds	841,942	-	-	841,942
Common stock:				
Mutual Funds	5,457,240			5,457,240
Industrial and Misc	40,445,801	90,124	-	40,535,925
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Common Stocks	45,903,041	90,124	-	45,993,165
Other Invested Assets	-	-	3,478,181	3,478,181
Total assets at fair value	\$ 48,487,751	\$ 90,124	\$ 3,478,181	\$ 52,056,056
b. Liabilities at fair value:				
Derivative liabilities	14,748	-	-	14,748
Total liabilities at fair value	\$ 14,748	\$ -	\$ -	\$ 14,748

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

	Balance 01/01/2013	Transfers In/(out) Level 3	Total Gain/(Loss) Included in Net Income	Total Gain/(Loss) Included in Surplus	Purchases/ Issuances/ (Sales/ Settlements)	Balance 06/30/2013
(1) Assets:						
Other Invested Assets	3,748,181	-	33,133	89,286	(187,405)	3,683,195
Total Assets	\$ 3,748,181	\$ -	\$ 33,133	\$ 89,286	\$ (187,405)	\$ 3,683,195

(2) Liabilities:

Not applicable.

(3) The Company's policy is to recognize transfers in and out as of the end of the reporting period.

(4) As of June 30, 2013, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

Other Invested Assets – The Company holds an investment in one partnership that is valued according to the underlying assets. The underlying assets are primarily investments in private limited partnerships in which the fair value is determined by each partnership's audited GAAP financial statements and adjusted for the Company's proportional share of the entity's earnings.

21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

Not applicable.

D. No significant changes.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable and Non-transferable Tax Credits

Not applicable.

NOTES TO FINANCIAL STATEMENTS

G. Subprime Mortgage Related Risk Exposure

Not applicable.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through August 14, 2013 for the statutory statement issued on August 15, 2013 for the quarter ending June 30, 2013. There were no Type I events identified that would have a material effect on the financial condition of the Company.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through August 14, 2013 for the statutory statement issued on August 15, 2013 for the quarter ending June 30, 2013. No Type II events were identified that would have a material effect on the financial condition of the Company.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

Not applicable.

B. Reinsurance Recoverable in Dispute

Not applicable.

C. Reinsurance Assumed and Ceded

No significant changes.

D. Uncollectible Reinsurance

No significant changes.

E. Commutation of Ceded Reinsurance

Not applicable.

F. Retroactive Reinsurance

Not applicable.

G. Reinsurance Accounted for as a Deposit

Not applicable.

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

Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2012 were \$26.1 million. During 2013, \$8.4 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$16.6 million as a result of re-estimation of unpaid claims and claim adjustment expenses for commercial auto liability, auto physical damage, homeowners/farmowners, commercial multi-peril, other liability and special property lines of insurance. These decreases were offset, in part, by increases in workers' compensation and private passenger auto liability lines of insurance. Therefore, there has been a \$1.1 million favorable prior-year development from December 31, 2012 to June 30, 2013. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the company does not write this type of policy.

26. Intercompany Pooling Agreements

A. No significant changes.

B. No significant changes.

C. No significant changes.

D. No significant changes.

E. No significant changes.

NOTES TO FINANCIAL STATEMENTS

- F. No significant changes.
- G. There was \$361,112 due from the Company to the affiliated entities participating in the intercompany pool as of June 30, 2013.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No significant changes.

31. High Deductibles

Not applicable.

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

No significant changes.

33. Asbestos/Environmental Reserves

- A. No significant changes.
- B. Not applicable.
- C. Not applicable.
- D. No significant changes.
- E. No significant changes.
- F. No significant changes.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES
GENERAL**

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No []

2.2 If yes, date of change: 05/22/2013

3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.2 If the response to 3.1 is yes, provide a brief description of those changes.
.....

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [] No [] NA [X]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/26/2012

6.4 By what department or departments?
Ohio.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []

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

7.2 If yes, give full information:
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

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

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

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**GENERAL INTERROGATORIES**

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

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

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

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

13. Amount of real estate and mortgages held in short-term investments: \$0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$263,615	\$288,652
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$263,615	\$288,652
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []

If no, attach a description with this statement.

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
 16.3 Total payable for securities lending reported on the liability page \$.....0

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

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

1 Name of Custodian(s)	2 Custodian Address
FirstMerit Bank.....	Akron, Ohio.....
Merrill Lynch.....	Columbus, Ohio.....

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
None.....		

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

18.2 If no, list exceptions:

.....

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
3.2 If yes, give full and complete information thereto.

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes No [X]

4.2 If yes, complete the following schedule:

5. Operating Percentages:

5.1 A&H loss percent.....	0.0	%
5.2 A&H cost containment percent	0.0	%
5.3 A&H expense percent excluding cost containment expenses.....	0.0	%

6.1 Do you act as a custodian for health savings accounts?..... Yes [] No [X]
6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$ _____
6.3 Do you act as an administrator for health savings accounts?..... Yes [] No [X]
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$ _____

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL.	N.	0	0	0	0	0
2. Alaska	AK.	N.	0	0	0	0	0
3. Arizona	AZ.	N.	0	0	0	0	0
4. Arkansas	AR.	N.	0	0	0	0	0
5. California	CA.	N.	0	0	0	0	0
6. Colorado	CO.	N.	0	0	0	0	0
7. Connecticut	CT.	N.	0	0	0	0	0
8. Delaware	DE.	N.	0	0	0	0	0
9. Dist. Columbia	DC.	N.	0	0	0	0	0
10. Florida	FL.	N.	0	0	0	0	0
11. Georgia	GA.	N.	0	0	0	0	0
12. Hawaii	HI.	N.	0	0	0	0	0
13. Idaho	ID.	N.	0	0	0	0	0
14. Illinois	IL.	L	0	0	0	0	0
15. Indiana	IN.	L	15,937,272	14,944,527	9,022,955	9,752,921	10,041,119
16. Iowa	IA.	N.	0	0	0	0	0
17. Kansas	KS.	N.	0	0	0	0	0
18. Kentucky	KY.	N.	0	0	0	0	0
19. Louisiana	LA.	N.	0	0	0	0	0
20. Maine	ME.	N.	0	0	0	0	0
21. Maryland	MD.	N.	0	0	0	0	0
22. Massachusetts	MA.	N.	0	0	0	0	0
23. Michigan	MI.	N.	0	0	0	0	0
24. Minnesota	MN.	N.	0	0	0	0	0
25. Mississippi	MS.	N.	0	0	0	0	0
26. Missouri	MO.	N.	0	0	0	0	0
27. Montana	MT.	N.	0	0	0	0	0
28. Nebraska	NE.	N.	0	0	0	0	0
29. Nevada	NV.	N.	0	0	0	0	0
30. New Hampshire	NH.	N.	0	0	0	0	0
31. New Jersey	NJ.	N.	0	0	0	0	0
32. New Mexico	NM.	N.	0	0	0	0	0
33. New York	NY.	N.	0	0	0	0	0
34. No. Carolina	NC.	N.	0	0	0	0	0
35. No. Dakota	ND.	N.	0	0	0	0	0
36. Ohio	OH.	L	36,657,657	34,742,962	17,018,745	22,388,662	26,998,548
37. Oklahoma	OK.	N.	0	0	0	0	0
38. Oregon	OR.	N.	0	0	0	0	0
39. Pennsylvania	PA.	N.	0	0	0	0	0
40. Rhode Island	RI.	N.	0	0	0	0	0
41. So. Carolina	SC.	N.	0	0	0	0	0
42. So. Dakota	SD.	N.	0	0	0	0	0
43. Tennessee	TN.	L	0	0	0	0	0
44. Texas	TX.	N.	0	0	0	0	0
45. Utah	UT.	N.	0	0	0	0	0
46. Vermont	VT.	N.	0	0	0	0	0
47. Virginia	VA.	N.	0	0	0	0	0
48. Washington	WA.	N.	0	0	0	0	0
49. West Virginia	WV.	N.	0	0	0	0	0
50. Wisconsin	WI.	N.	0	0	0	0	0
51. Wyoming	WY.	N.	0	0	0	0	0
52. American Samoa	AS.	N.	0	0	0	0	0
53. Guam	GU.	N.	0	0	0	0	0
54. Puerto Rico	PR.	N.	0	0	0	0	0
55. U.S. Virgin Islands	VI.	N.	0	0	0	0	0
56. Northern Mariana Islands	MP.	N.	0	0	0	0	0
57. Canada	CAN.	N.	0	0	0	0	0
58. Aggregate Other Alien	OT.	XXX	0	0	0	0	0
59. Totals	(a)	4	52,594,929	49,687,489	26,041,700	32,141,583	37,039,667
DETAILS OF WRITE-INS		XXX					
58001.		XXX					
58002.		XXX					
58003.		XXX					
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0

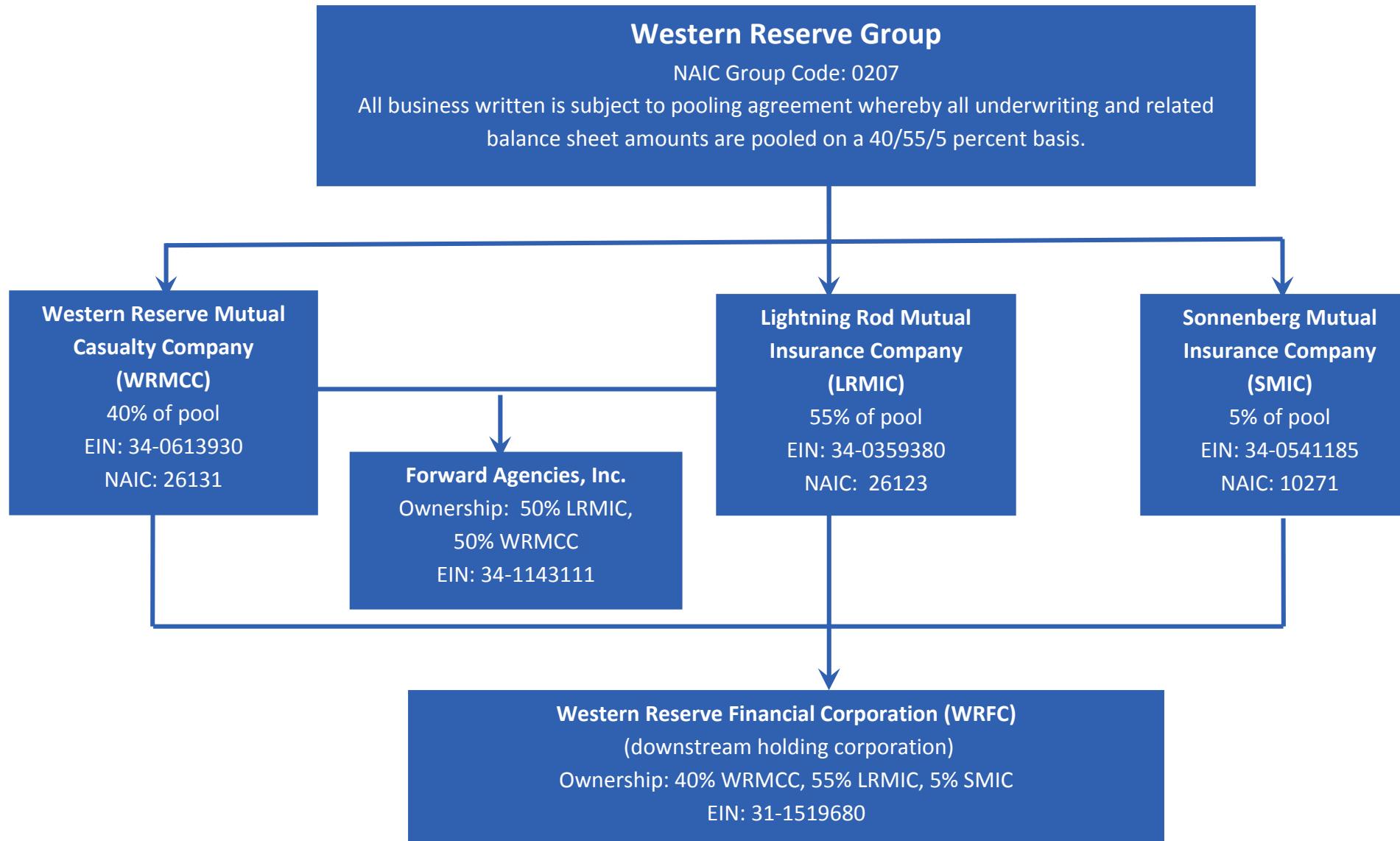
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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

PART 1 – ORGANIZATIONAL CHART



STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

2

Asterisk	Explanation
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STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	1,562,100	252,591	16.2	.46
2. Allied lines	844,116	589,979	69.9	137.5
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	10,343,597	3,504,305	33.9	71.8
5. Commercial multiple peril	5,340,630	2,268,454	42.5	29.6
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	397,797	143,512	36.1	6.5
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability -occurrence	0	0	0.0	0.0
11.2 Medical professional liability -claims made	0	0	0.0	0.0
12. Earthquake	.9,767	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	525,158	224,175	42.7	70.2
17.1 Other liability occurrence	1,408,726	117,548	8.3	32.2
17.2 Other liability-claims made	3,910	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	47,429	8,000	16.9	9.8
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	15,308,183	9,337,115	61.0	80.6
19.3,19.4 Commercial auto liability	1,502,266	230,506	15.3	70.5
21. Auto physical damage	13,884,486	7,911,596	57.0	62.7
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	19,994	30,375	151.9	(116.9)
27. Boiler and machinery	.58,128	1,553	2.7	5.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	51,256,287	24,619,709	48.0	64.9
DETAILS OF WRITE-INS				
3401.	0	0	0.0	0.0
3402.	0	0	0.0	0.0
3403.	0	0	0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	
1. Fire	.823,947	1,547,865	1,441,952	
2. Allied lines	445,174	838,772	785,473	
3. Farmowners multiple peril	0	0	0	
4. Homeowners multiple peril	5,684,456	9,978,734	9,559,866	
5. Commercial multiple peril	3,463,554	6,065,918	5,437,316	
6. Mortgage guaranty	0	0	0	
8. Ocean marine	0	0	0	
9. Inland marine	269,982	443,499	397,920	
10. Financial guaranty	0	0	0	
11.1 Medical professional liability-occurrence	0	0	0	
11.2 Medical professional liability-claims made	0	0	0	
12. Earthquake	4,242	.9,033	8,369	
13. Group accident and health	0	0	0	
14. Credit accident and health	0	0	0	
15. Other accident and health	0	0	0	
16. Workers' compensation	361,300	653,415	557,897	
17.1 Other liability occurrence	796,908	1,539,406	1,399,926	
17.2 Other liability-claims made	3,380	4,790	2,609	
17.3 Excess Workers' Compensation	0	0	0	
18.1 Products liability-occurrence	32,528	47,478	.47,590	
18.2 Products liability-claims made	0	0	0	
19.1,19.2 Private passenger auto liability	7,739,882	15,470,972	14,987,953	
19.3,19.4 Commercial auto liability	972,009	1,751,654	1,577,916	
21. Auto physical damage	7,073,836	14,161,543	13,404,017	
22. Aircraft (all perils)	0	0	0	
23. Fidelity	0	0	0	
24. Surety	0	0	0	
26. Burglary and theft	7,625	15,628	19,624	
27. Boiler and machinery	36,110	66,222	.59,061	
28. Credit	0	0	0	
29. International	0	0	0	
30. Warranty	0	0	0	
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	
34. Aggregate write-ins for other lines of business	0	0	0	
35. TOTALS	27,714,933	52,594,929	49,687,489	
DETAILS OF WRITE-INS				
3401.	0	0	0	0
3402.	0	0	0	0
3403.	0	0	0	0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0	0

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2013 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2013 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2013 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2010 + Prior	3,761	.117	3,878	1,106	.13	1,119	2,468	.6	104	2,578	(187)	.6	(181)
2. 2011	5,859	.504	6,363	1,178	.31	1,209	4,080	.48	457	4,585	(601)	.32	(569)
3. Subtotals 2011 + prior	9,620	.621	10,241	2,284	.44	2,328	6,548	.54	561	7,163	(788)	.38	(750)
4. 2012	12,742	.3,091	15,833	5,045	1,001	6,046	7,577	.581	1,299	9,457	(120)	(210)	(330)
5. Subtotals 2012 + prior	22,362	.3,712	26,074	7,329	1,045	8,374	14,125	.635	1,860	16,620	(908)	(172)	(1,080)
6. 2013	XXX	XXX	XXX	XXX	11,898	11,898	XXX	7,263	2,802	10,065	XXX	XXX	XXX
7. Totals	22,362	3,712	26,074	7,329	12,943	20,272	14,125	7,898	4,662	26,685	(908)	(172)	(1,080)
Prior Year-End Surplus As Regards Policy-holders											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
8. Surplus As Regards Policy-holders	92,482										1. (4.1)	2. (4.6)	3. (4.1)
											Col. 13, Line 7 Line 8		
											4. (1.2)		

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

Response

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?YES.....

Explanation:

- 1.
- 2.
- 3.

Bar Code:

1.  2 6 1 3 1 2 0 1 3 4 9 0 0 0 0 0 2
2.  2 6 1 3 1 2 0 1 3 4 5 5 0 0 0 0 0 2
3.  2 6 1 3 1 2 0 1 3 3 6 5 0 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	7,790,882	8,000,268
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	1,743	12,730
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	111,175	222,116
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	7,681,450	7,790,882
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	7,681,450	7,790,882

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,655,498	5,843,088
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	131,000	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	89,286	70,542
6. Total gain (loss) on disposals	33,133	0
7. Deduct amounts received on disposals	502,793	258,132
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	5,406,124	5,655,498
12. Deduct total nonadmitted amounts	1,722,929	1,907,318
13. Statement value at end of current period (Line 11 minus Line 12)	3,683,195	3,748,180

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	128,102,387	123,545,282
2. Cost of bonds and stocks acquired	25,000,090	28,065,392
3. Accrual of discount	36,865	75,085
4. Unrealized valuation increase (decrease)	2,409,797	2,417,164
5. Total gain (loss) on disposals	773,881	576,555
6. Deduct consideration for bonds and stocks disposed of	19,041,096	26,397,572
7. Deduct amortization of premium	127,067	179,519
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	206,374	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)	136,948,482	128,102,387
11. Deduct total nonadmitted amounts	288,652	263,615
12. Statement value at end of current period (Line 10 minus Line 11)	136,659,830	127,838,772

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	82,198,181	17,453,973	13,940,037	(3,023)	82,198,181	85,709,095	0	78,587,966
2. Class 2 (a).....	1,640,676		400,000	(1,229)	1,640,676	1,239,447	0	1,641,772
3. Class 3 (a).....	1,199,600			(1,600)	1,199,600	1,198,000	0	1,211,942
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	85,038,457	17,453,973	14,340,037	(5,852)	85,038,457	88,146,542	0	81,441,679
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	1,660,949		600,000	(38,125)	1,660,949	1,022,824	0	1,642,768
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock.....	1,660,949	0	600,000	(38,125)	1,660,949	1,022,824	0	1,642,768
15. Total Bonds & Preferred Stock	86,699,407	17,453,973	14,940,037	(43,977)	86,699,407	89,169,366	0	83,084,447

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 492,823 ; NAIC 2 \$;

NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	492,823	XXX	492,823	440	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,238,841	2,187,863
2. Cost of short-term investments acquired	13,189,714	16,844,255
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	13,935,732	17,793,277
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	492,823	1,238,841
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	492,823	1,238,841

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**SCHEDULE DB - PART A - VERIFICATION**

Options, Caps, Floors, Collars, Swaps and Forwards

1. Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	(14,748)
2. Cost Paid/(Consideration Received) on additions.....	(22,433)
3. Unrealized Valuation increase/(decrease)	(295)
4. Total gain (loss) on termination recognized.....	10,671
5. Considerations received/(paid) on terminations.....	(5,448)
6. Amortization	21,357
7. Adjustment to the Book/Adjusted Carrying Value of hedged item	
8. Total foreign exchange change in Book/Adjusted Carrying Value.....	
9. Book/Adjusted Carrying Value at End of Current Period (Lines 1+2+3+4-5+6+7+8).....	0
10. Deduct nonadmitted assets.....	
11. Statement value at end of current period (Line 9 minus Line 10).....	0

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1. Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year).....	0
2. Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote – Cumulative Cash Change column).....	0
3.1 Add:	
Change in variation margin on open contracts – Highly Effective Hedges	
3.11 Section 1, Column 15, current year to date minus.....	0
3.12 Section 1, Column 15, prior year.....	0
Change in variation margin on open contracts – All Other	
3.13 Section 1, Column 18, current year to date minus.....	0
3.14 Section 1, Column 18, prior year.....	0
3.2 Add:	
Change in adjustment to basis of hedged item	
3.21 Section 1, Column 17, current year to date minus.....	0
3.22 Section 1, Column 17, prior year.....	0
Change in amount recognized	
3.23 Section 1, Column 19, current year to date minus.....	0
3.24 Section 1, Column 19, prior year.....	0
3.3 Subtotal (Line 3.1 minus Line 3.2).....	0
4.1 Cumulative variation margin on terminated contracts during the year.....	
4.2 Less:	
4.21 Amount used to adjust basis of hedged item.....	
4.22 Amount recognized.....	0
4.3 Subtotal (Line 4.1 minus Line 4.2).....	0
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Total gain (loss) recognized for terminations in prior year.....	
5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year.....	
6. Book/Adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2).....	0
7. Deduct total nonadmitted amounts.....	
8. Statement value at end of current period (Line 6 minus Line 7).....	0

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE DB - VERIFICATION

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

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14.....	0
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote – Total Ending Cash Balance	0
3. Total (Line 1 plus Line 2).....	0
4. Part D, Section 1, Column 5.....	0
5. Part D, Section 1, Column 6.....	0
6. Total (Line 3 minus Line 4 minus Line 5).....	0

Fair Value Check

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

Potential Exposure Check

13. Part A, Section 1, Column 21.....	0
14. Part B, Section 1, Column 20.....	0
15. Part D, Section 1, Column 11.....	0
16. Total (Line 13 plus Line 14 minus Line 15).....	0

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of cash equivalents acquired	0	0
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals	0	0
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

NONE

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
Acquired by purchase								
Retaining wall.....	Wooster	Ohio	04/16/2013	D.L.Day Masonry.....	1,743	0	1,743	0
019999 - Acquired by purchase					1,743	0	1,743	0
0399999 Totals					1,743	0	1,743	0

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Changes in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain(Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred	
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B/A. C.V. (11-9-10)	13 Total Foreign Exchange Change in B.A. C. V.								
0399999 Totals																				

NONE

E01

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

E02

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

NONE

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

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STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
Bonds - U.S. Governments									
83162C-VD-2	SBA SBAP 2012-20K CL 1 CMO		05/08/2013	First Empire Securities I.		393,159	389,748	339	1FE
912828-UH-1	U S Treasury Inflation Note		06/24/2013	Merrill Lynch	479,661	500,000	280	1	
912828-QT-0	U S Treasury Note		05/29/2013	Merrill Lynch	533,623	500,000	4,921	1	
0599999 - Bonds - U.S. Governments						1,406,443	1,389,748	5,540	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
256435-HH-4	Dodge County NE Sch Dist #1		05/16/2013	D A Davidson & Co.		400,000	400,000		1FE
664214-KM-4	Northeast IA Cnty Clg Distric		06/18/2013	D A Davidson & Co.		405,580	400,000		1FE
915506-LP-2	Upper Arlington OH CSD GO		04/11/2013	Fifth Third Securities, I.		246,252	200,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						1,051,832	1,000,000	0	XXX
Bonds - U.S. Special Revenue									
121822-AW-0	Burlington KS Envir Impt Revenue		06/06/2013	D A Davidson & Co.		198,000	200,000	164	1FE
180267-BN-5	Clarence Cannon MO Whsle Wtr Com		05/09/2013	D A Davidson & Co.		350,000	350,000		1FE
189194-DS-9	Cloverdale IN Multi-Sch Bldg Corp		05/21/2013	Fifth Third Securities, I.		200,000	200,000		1FE
299556-AU-4	Evansville Vanderburgh IN		04/18/2013	Fifth Third Securities, I.		300,000	300,000		1FE
3136A1-AP-7	FNMA CMO FNR 2011-117 CL-MA		06/14/2013	First Empire Securities I.		401,884	400,882	401	1FE
3136A9-AZ-1	FNMA GTR REMIC TR 2012-106 CL-MA		04/12/2013	First Empire Securities I.		380,473	380,949	339	1FE
916277-LL-8	Upper Occoquan VA Sewage Auth Rev		06/14/2013	Berghoff & Company, Inc.		386,120	400,000	517	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						2,216,477	2,231,831	1,421	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
03523T-BP-2	Anheuser-Busch InBev		04/30/2013	Raymond James & Associate		404,568	400,000	3,000	1FE
071813-BL-2	Baxter International Inc.		06/05/2013	First Empire Securities I.		403,360	400,000		1FE
268648-AN-2	EMC Corp		06/04/2013	Robert W. Baird & Co. Inc.		402,160	400,000	38	1FE
29736R-AE-0	Estee Lauder Co Inc		05/28/2013	D A Davidson & Co.		387,693	400,000	2,768	1FE
377372-AH-0	Glaxosmithkline Cap Inc		04/11/2013	Robert W. Baird & Co. Inc.		407,652	400,000	871	1FE
494368-BJ-1	Kimberly-Clark Corp		05/24/2013	Raymond James & Associate		391,960	400,000	187	1FE
540424-AQ-1	Loews Corp		05/03/2013	First Empire Securities I.		399,400	400,000	29	1FE
58013M-EQ-3	McDonald's Corp		05/03/2013	Raymond James & Associate		410,760	400,000	3,313	1FE
58933Y-AF-2	Merck & Company Inc		05/16/2013	Robert W. Baird & Co. Inc.		404,112	400,000	31	1FE
68389X-AP-0	Oracle Corp Gb		06/19/2013	Merrill Lynch		382,784	400,000	1,917	1FE
83088G-AA-3	Skyway Concession Co LLC 144A		04/29/2013	First Empire Securities I.		181,000	200,000	110	1FE
855244-AC-3	Starbucks Corp		05/13/2013	D A Davidson & Co.		480,079	400,000	6,319	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						4,655,528	4,600,000	18,582	XXX
8399997 - Subtotals- Bonds - Part 3						9,330,280	9,221,579	25,542	XXX
8399999 - Subtotals - Bonds						9,330,280	9,221,579	25,542	XXX
Common Stocks - Industrial and Miscellaneous									
.009158-10-6	Air Products & Chemicals Inc		04/19/2013	Merrill Lynch	1,900,000	162,375			L
253868-10-3	Digital Realty Trust Inc		05/21/2013	Merrill Lynch	1,900,000	121,030			L
756109-10-4	Realty Income Corp		04/04/2013	Merrill Lynch	1,750,000	80,114			L
884903-10-5	Thomson Reuters Corp		06/04/2013	Merrill Lynch	3,550,000	120,126			L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						483,645	XXX	0	XXX
Common Stocks - Mutual Funds									
46428T-65-5	iShares Trust Russell 2000 Index		06/21/2013	Merrill Lynch	.850,000	81,622			L
76882K-70-2	RiverPark ST High Yield Fnd Inst'l		05/08/2013	Merrill Lynch	60,040,040	600,000			U
9299999 - Common Stocks - Mutual Funds						681,622	XXX	0	XXX
Common Stocks - Money Market Mutual Funds									
998911-JC-3	BBIF Money Fund Class 4		06/28/2013	Merrill Lynch	5,553,261,000	5,553,261			U
9399999 - Common Stocks - Money Market Mutual Funds						5,553,261	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						6,718,528	XXX	0	XXX
9799999 - Subtotals - Common Stocks						6,718,528	XXX	0	XXX
9899999 - Subtotals - Preferred and Common Stocks						6,718,528	XXX	0	XXX
9999999 Totals						16,048,808	XXX		25,542

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

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22 NAIC Design- ation or Market Indicator (a)
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Temporary Impairment Recognized	14 Total Change in B.A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B.A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date		
Bonds - U.S. Governments																					
36220M-2N-8...	GNMA Pool #282581		06/15/2013	PRINCIPAL RECEIPT			34	34	34			0					0	1	10/15/2019...	1FE	
36229P-6H-0...	GNMA Pool #676872		06/15/2013	PRINCIPAL RECEIPT			21,240	21,240	21,426	21,394	(154)		(154)				0	333	03/15/2023...	1FE	
83162C-PP-2...	U S Small Business Admin - DCPA CMO		06/01/2013	PRINCIPAL RECEIPT			35,552	35,552	36,085	36,012	(460)		(460)				0	842	06/01/2025...	1FE	
0599999 - Bonds - U.S. Governments					56,826	56,826	57,545	57,440	0	(613)	0	(613)	0	56,826	0	0	0	1,176	XXX	XXX	
Bonds - U.S. States, Territories and Possessions																					
97705L-JA-6...	Wisconsin St FSA Ser D...		05/01/2013	MATURITY			400,000	400,000	417,792	400,877		(877)	(877)		400,000		0	8,000	05/01/2013...	1FE	
1799999 - Bonds - U.S. States, Territories and Possessions					400,000	400,000	417,792	400,877	0	(877)	0	(877)	0	400,000	0	0	0	8,000	XXX	XXX	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
199491-R3-7...	Columbus OH		06/15/2013	CALLED @ 100.000000			600,000	600,000	600,000	600,000			0	600,000		0	0	12,707	06/01/2020...	1FE	
731197-UD-9...	Polk Cnty IW Ser C G0		06/01/2013	MATURITY			400,000	400,000	410,308	400,736		(736)	(736)		400,000		0	8,000	06/01/2013...	1FE	
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					1,000,000	1,000,000	1,010,308	1,000,736	0	(736)	0	(736)	0	1,000,000	0	0	0	20,707	XXX	XXX	
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
FHLMC (Gold) Pool					#G12221														224	06/01/2021...	1FE
3128M1-LA-5...	FHLMC (Gold) Pool #C90854		06/15/2013	PRINCIPAL RECEIPT			9,809	9,809	9,809			0		9,809					217	09/01/2024...	1FE
31335H-5P-4...	FHLMC (Gold) Pool #E01304		06/15/2013	PRINCIPAL RECEIPT			9,268	9,268	9,298	9,296		(28)	(28)		9,268				1,210	01/01/2018...	1FE
31294K-NV-3...	FHLMC (Gold) Pool #E01216		05/15/2013	VARIOUS			62,732	59,592	59,536	59,531		3	3		59,534		3,198	3,198			
31294K-K5-3...	FHLMC (Gold) Pool #E01216		06/15/2013	PRINCIPAL RECEIPT			7,840	7,840	7,899	7,871		(30)	(30)		7,840				181	10/01/2017...	1FE
3128M1-BB-4...	FHLMC (Gold) Pool #G11934		06/15/2013	PRINCIPAL RECEIPT			5,122	5,122	5,119	5,115		8	8		5,122				121	04/01/2016...	1FE
3128M1-PA-1...	FHLMC (Gold) Pool #G12317		06/15/2013	PRINCIPAL RECEIPT			7,095	7,095	7,095	7,095		0	0		7,095				161	08/01/2021...	1FE
3128M8-SA-3...	FHLMC (Gold) Pool #G13293		05/15/2013	VARIOUS			107,810	102,418	101,650	101,805		56	56		101,861		5,949	5,949	2,319	12/01/2018...	1FE
3137AP-BD-1...	FHLMC CMO 4033 EB		06/15/2013	PRINCIPAL RECEIPT			8,624	8,624	8,603	8,603		21	21		8,624				74	10/15/2036...	1FE
3128S2-QQ-7...	FHLMC Pool #T61363		06/15/2013	PRINCIPAL RECEIPT			37,169	37,169	38,888			(1,719)	(1,719)		37,169				461	09/01/2042...	1FE
3137L1-JU-4...	#255075		06/25/2013	PRINCIPAL RECEIPT			14,450	14,450	14,446	14,441		9	9		14,450				326	02/01/2024...	1FE
31402R-GM-5...	FNMA Pool #735604		06/25/2013	PRINCIPAL RECEIPT			13,270	13,270	13,312	13,294		(24)	(24)		13,270				278	06/01/2020...	1FE
313642-VK-6...	FNMA CMO TR-2011-126		06/25/2013	PRINCIPAL RECEIPT			13,736	13,736	13,736	13,735		1	1		13,736				142	06/25/2040...	1FE
31381P-C9-7...	FNMA DUS Pool #466396		06/25/2013	PRINCIPAL RECEIPT			1,172	1,172	1,175	1,174		(2)	(2)		1,172				17	11/01/2020...	1FE
31371L-XW-4...	FNMA Gtd Mtg Pool #25549		06/25/2013	PRINCIPAL RECEIPT			12,094	12,094	12,026	12,030		64	64		12,094				273	10/01/2024...	1FE
31371L-7J-2...	FNMA Gtd Mtg Pool #255697		05/25/2013	VARIOUS			75,980	71,901	73,811	72,666		(212)	(212)		72,454		3,526	3,526	1,449	04/01/2015...	1FE
31402Y-NJ-9...	FNMA Gtd Mtg Pool #T742093		05/25/2013	VARIOUS			129,960	122,263	118,977	119,685		273	273		119,958		10,002	10,002	2,485	04/01/2019...	1FE
31416X-HY-9...	FNMA Gtd Mtg Pool #AB2046		06/25/2013	PRINCIPAL RECEIPT			24,716	24,716	24,299	24,313		402	402		24,716				303	01/01/2026...	1FE
31418A-LY-2...	FNMA Gtd Mtg Pool #MA1242		06/25/2013	PRINCIPAL RECEIPT			47,320	47,320	49,449	49,519		(2,199)	(2,199)		47,320				741	11/01/2024...	1FE
313649-AZ-1...	106 CL-MA		06/25/2013	PRINCIPAL RECEIPT			51,834	51,834	51,769			65	65		51,834				144	06/25/2042...	1FE
31371K-VB-4...	FNMA Pool #254510		05/25/2013	VARIOUS			45,204	42,607	43,166	42,897		(40)	(40)		42,856		2,347	2,347	964	11/01/2017...	1FE
31371K-2X-8...	FNMA Pool #254690		06/25/2013	PRINCIPAL RECEIPT			7,319	7,319	7,269	7,274		46	46		7,319				169	04/01/2011...	1FE
31371L-DI-3...	FNMA Pool #254914		06/25/2013	PRINCIPAL RECEIPT			3,459	3,459	3,485	3,453		6	6		3,459				64	09/01/2013...	1FE
31371L-SL-4...	FNMA Pool #255323		05/25/2013	VARIOUS			17,970	17,096	17,315	17,112		(14)	(14)		17,099		871	871	339	07/01/2014...	1FE
31385W-SB-6...	FNMA Pool #555014		06/25/2013	PRINCIPAL RECEIPT			7,021	7,021	7,087	7,049		(28)	(28)		7,021				159	11/01/2017...	1FE
31385X-GK-7...	FNMA Pool #555602		05/25/2013	VARIOUS			74,538	70,262	69,736	69,853		36	36		69,889		4,648	4,648	1,590	06/01/2018...	1FE
313641-GY-6...	FNMA REMIC Ser 2011-M8 CL AB		06/25/2013	PRINCIPAL RECEIPT			1,799	1,799	1,852	1,848		(49)	(49)		1,799				22	08/25/2021...	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					797,312	769,258	770,805	679,468	0	(3,354)	0	(3,354)	0	766,771	0	30,541	30,541	14,433	XXX	XXX	
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
377372-AC-1...	Glaxosmithkline Acp Inc Gtd Nts.	R.	05/15/2013	MATURITY			500,000	500,000	500,000	500,000		0	0		500,000				12,125	05/15/2013...	1FE
291011-AT-1...	Emerson Electric		05/01/2013	MATURITY			400,000	400,000	392,460	399,640		360	360		400,000				9,000	05/01/2013...	1FE
72447W-AN-9...	Pitney Bowes Inc.		06/15/2013	MATURITY			400,000	400,000	377,716	398,576		1,424	1,424</								

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B.A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B.A.C.V.								
189054-10-9...	Clorox Co...		04/19/2013...	Merrill Lynch Exerc Optns...	2,000,000	.159,996	XXX	.84,738	.146,440	(62,002)			(62,002)		.84,438		.75,558	.75,558	.1,280	XXX	L	
194162-10-3...	Colgate Palmolive...		05/17/2013...	Merrill Lynch Exerc Optns...	2,000,000	.114,997	XXX	.51,726	.104,540	(53,464)			(53,464)		.51,076		.63,921	.63,921	.1,300	XXX	L	
294761-10-7...	Equity Residential Prop		04/04/2013...	Merrill Lynch...	1,400,000	.79,833	XXX	.19,646	.79,338	(59,692)			(59,692)		.19,646		.60,187	.60,187	.1,075	XXX	L	
302316-10-2...	Exxon Mobil Corp...		05/08/2013...	Merrill Lynch...	.880,000	.880,000	.880,000	.2,778	.76,164	(73,386)			(73,386)		.2,778		.77,620	.77,620	.502	XXX	L	
369550-10-8...	Gen Dynamics Corp...		05/17/2013...	Merrill Lynch Exerc Optns...	2,500,000	.174,996	XXX	.81,493	.173,175	(94,557)			(94,557)		.78,618		.96,379	.96,379	.1,400	XXX	L	
855244-10-9...	Starbucks Corp...		04/19/2013...	Merrill Lynch Exerc Optns...	2,400,000	.131,997	XXX	.130,314	.121,682	(5,544)			(5,544)		.124,770		.7,227	.7,227	.XXX	XXX	L	
918204-10-8...	V F Corporation...		05/17/2013...	Merrill Lynch Exerc Optns...	800,000	.135,997	XXX			(2,065)			(2,065)		.119,617		.16,380	.16,380	.696	XXX	L	
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					878,215	XXX	492,377	579,657	(350,710)	0	0	(350,710)	0	480,943	0	397,272	397,272	6,252	XXX	XXX		
Common Stock - Mutual Funds																						
486606-10-6...	Kayne Anderson MLP...		04/03/2013...	ROC...		.9,933	XXX	.9,933	.9,933	0			0		.9,933		0	0	XXX	XXX	L	
67074U-10-3...	Nuveen Energy MLP Total		05/15/2013...	ROC...		11,104	XXX	.11,104	.11,104	0			0		.11,104		0	0	XXX	XXX	L	
72201M-45-3...	PIMCO Unconstrained Bond Fund CL P...		04/11/2013...	Merrill Lynch...	.34,632,035	.400,000	XXX	.384,069	.397,576	(13,506)			(13,506)		.384,069		.15,931	.15,931	.808	XXX	U	
9299999 - Common Stocks - Mutual Funds					421,036	XXX	405,106	418,612	(13,506)	0	0	(13,506)	0	405,106	0	15,931	15,931	808	XXX	XXX		
Common Stocks - Money Market Mutual Funds																						
998911-UC-3...	BBIF Money Fund Class 4...		06/28/2013...	Merrill Lynch...	5,549,518,000	5,549,518	XXX	5,549,518	5,549,518	0			0		5,549,518		0	0	XXX	XXX	U	
9399999 - Common Stocks - Money Market Mutual Funds					5,549,518	XXX	5,549,518	0	0	0			0		5,549,518	0	0	0	XXX	XXX		
9799997 - Subtotals - Common Stocks - Part 4					6,848,769	XXX	6,447,000	998,269	(364,216)	0	0	(364,216)	0	6,435,567	0	413,203	413,203	7,060	XXX	XXX		
9799999 - Subtotals - Common Stocks					6,848,769	XXX	6,447,000	998,269	(364,216)	0	0	(364,216)	0	6,435,567	0	413,203	413,203	7,060	XXX	XXX		
9899999 - Subtotals - Preferred and Common Stocks					7,448,769	XXX	7,047,000	1,612,669	(378,616)	0	0	(378,616)	0	7,035,567	0	413,203	413,203	37,379	XXX	XXX		
9999999 Totals					11,003,529	XXX	10,573,627	5,049,405	(378,616)	(3,796)	0	(382,412)	0	10,559,164	0	444,366	444,366	110,571	XXX	XXX		

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 2

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Bank of America.....Chicago, IL.....		0.150	.451	0	1,200,142	1,200,294	1,519,571	XXX
Fifth Third Bank.....Cincinnati, OH.....		0.000	.0	0	2,795,693	2,007,362	1,668,574	XXX
First Merit Bank.....Akron, OH.....		0.000	.0	0	(1,749,453)	(1,834,795)	(1,479,048)	XXX
First Merit Bank.....Akron, OH.....		0.000	.0	0	(26,772)	(12,458)	(40,995)	XXX
First Merit Bank.....Akron, OH.....		0.000	.0	0	3,067,998	3,344,351	2,256,417	XXX
First Merit Bank.....Akron, OH.....		0.100	.3	0	0	.59,660	.22,534	XXX
JP Morgan Chase.....New York, NY.....		0.000	.0	0	(12,263,581)	(11,470,359)	(14,676,173)	XXX
JP Morgan Chase.....New York, NY.....		1.640	.501	0	1,007,770	1,007,941	1,008,106	XXX
Merrill Lynch.....Columbus, OH.....		0.000	.0	0	(1,117,402)	(598,465)	(399,277)	XXX
0199998 Deposits in3 depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	955	0	(7,085,605)	(6,296,469)	(10,118,734)	XXX
0399999 Total Cash on Deposit	XXX	XXX	955	0	(7,085,605)	(6,296,469)	(10,118,734)	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	955	0	(7,085,605)	(6,296,469)	(10,118,734)	XXX

STATEMENT AS OF JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE

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SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2013

NAIC Group Code 0207

NAIC Company Code 26131

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

1. Monoline Policies

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

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [X] No []

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [X] No []

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ 2,043

2.32 Amount estimated using reasonable assumptions: \$

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ 0