



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

# QUARTERLY STATEMENT

## AS OF JUNE 30, 2013 OF THE CONDITION AND AFFAIRS OF THE TRUSTGARD INSURANCE COMPANY

NAIC Group Code	00267 (Current Period)	00267 (Prior Period)	NAIC Company Code	40118	Employer's ID Number	41-1405571
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	07/01/1981		Commenced Business	11/10/1981		
Statutory Home Office	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)			
Main Administrative Office	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Mail Address	671 South High Street, P.O. Box 1218 (Street and Number or P.O. Box)		Columbus, OH, US 43216-1218 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Primary Location of Books and Records	671 South High Street (Street and Number)		Columbus, OH, US 43206-1014 (City or Town, State, Country and Zip Code)		614-445-2900 (Area Code) (Telephone Number)	
Internet Web Site Address	www.grangeinsurance.com					
Statutory Statement Contact	David Sidney Ackermann (Name)		614-445-2900 (Area Code) (Telephone Number) (Extension)		614-449-3757 (Fax Number)	
	ackermannnd@grangeinsurance.com (E-mail Address)					

### OFFICERS

Name	Title	Name	Title
THOMAS HOWARD WELCH	PRESIDENT & CEO	LAVAWN DEE COLEMAN	VP & SECRETARY
JOHN PAUL MCCAFFREY	VP & CFO		

### OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS
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### DIRECTORS OR TRUSTEES

DOUGLAS PAUL BUTH	GLENN EUGENE CORLETT	ELWOOD GORDON GEE	ROBERT ENLOW HOYT
JOHN PAUL MCCAFFREY	ROBERT JOHN O'BRIEN	MICHAEL VERNE PARROTT	MARY MARNETTE PERRY
MELVIN GEORGE PYE JR	THOMAS SIMRALL STEWART	THOMAS HOWARD WELCH	DAVID CHARLES WETMORE

State of .....Ohio.....

County of .....Franklin.....ss

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

THOMAS HOWARD WELCH PRESIDENT & CEO	LAVAWN DEE COLEMAN VP & SECRETARY	JOHN PAUL MCCAFFREY VP & CFO
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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  
9th day of August, 2013

\_\_\_\_\_  
Teresa J. Burchwell, Notary Public  
April 28, 2017

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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 .....	76,411,143		76,411,143	74,426,504
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	2,000		2,000	2,000
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....0 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....1,177,834 ) .....	1,177,834		1,177,834	817,576
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....	1,504,104		1,504,104	4,549,370
11. Aggregate write-ins for invested assets .....	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	79,095,081	.0	79,095,081	79,795,450
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	823,385		823,385	782,965
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	8,061,774	.58,461	8,003,313	6,826,635
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....3,315 earned but unbilled premiums) .....	3,371	56	.3,315	(7,818)
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	1,382,734		1,382,734	1,301,732
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	2,214,487		2,214,487	1,624,382
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	.19,284	.0	.19,284	.18,354
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	91,600,116	58,517	91,541,599	90,341,700
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	91,600,116	58,517	91,541,599	90,341,700
<b>DETAILS OF WRITE-INS</b>				
1101. .....			0	0
1102. .....			0	0
1103. .....			0	0
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. Equities in Pools .....	.19,284		.19,284	.18,354
2502. .....			0	0
2503. .....			0	0
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) .....	.19,284	0	.19,284	.18,354

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 4,262,962 )	13,313,903	13,656,216
2. Reinsurance payable on paid losses and loss adjustment expenses	(27)	(27)
3. Loss adjustment expenses	4,192,380	4,088,515
4. Commissions payable, contingent commissions and other similar charges	364,002	497,429
5. Other expenses (excluding taxes, licenses and fees)	1,189,002	1,150,485
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	421,603	446,260
7.1 Current federal and foreign income taxes (including \$ 35,481 on realized capital gains (losses))	1,212,162	1,776,387
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 59,007,846 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)	15,826,754	14,497,132
10. Advance premium	1,083,943	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	25,874	31,487
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
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	0	0
20. Derivatives	0	0
21. Payable for securities	264,170	0
22. Payable for securities lending	1,504,104	4,549,370
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	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	39,397,870	40,693,253
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	39,397,870	40,693,253
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,500,000	2,500,000
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	4,657,724	4,657,724
35. Unassigned funds (surplus)	44,986,005	42,490,723
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)	52,143,729	49,648,447
38. Totals (Page 2, Line 28, Col. 3)	91,541,599	90,341,700
<b>DETAILS OF WRITE-INS</b>		
2501. Miscellaneous Liability	0	0
2502.	0	0
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	0
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 TRUSTGARD INSURANCE COMPANY**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 81,367,997 )	77,291,279	74,689,884	150,480,646
1.2 Assumed (written \$ 20,244,374 )	18,915,296	17,858,135	36,299,556
1.3 Ceded (written \$ 81,400,815 )	77,324,641	74,705,905	150,566,346
1.4 Net (written \$ 20,211,556 )	18,881,934	17,842,114	36,213,856
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 9,664,284 ):			
2.1 Direct	40,523,274	54,492,592	97,910,784
2.2 Assumed	9,719,015	10,912,946	21,072,547
2.3 Ceded	40,542,896	54,503,947	97,974,553
2.4 Net	9,699,393	10,901,591	21,008,778
3. Loss adjustment expenses incurred	2,226,057	1,890,826	3,981,495
4. Other underwriting expenses incurred	6,483,220	5,855,931	11,661,814
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	18,408,670	18,648,348	36,652,087
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	473,264	(806,234)	(438,232)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,281,542	1,258,367	2,509,607
10. Net realized capital gains (losses) less capital gains tax of \$ 35,481	65,894	26,931	121,120
11. Net investment gain (loss) (Lines 9 + 10)	1,347,436	1,285,298	2,630,727
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 2,054 amount charged off \$ 91,426 )	(89,372)	(85,143)	(176,188)
13. Finance and service charges not included in premiums	1,831,168	1,972,376	3,922,566
14. Aggregate write-ins for miscellaneous income	85,100	72,426	141,078
15. Total other income (Lines 12 through 14)	1,826,896	1,959,659	3,887,456
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,647,596	2,438,723	6,079,951
17. Dividends to policyholders	46,204	51,015	110,206
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)	3,601,392	2,387,708	5,969,745
19. Federal and foreign income taxes incurred	1,176,681	758,847	1,711,168
20. Net income (Line 18 minus Line 19)(to Line 22)	2,424,711	1,628,861	4,258,577
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	49,648,447	45,441,899	45,441,899
22. Net income (from Line 20)	2,424,711	1,628,861	4,258,577
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0	0
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	81,002	69,126	(63,147)
27. Change in nonadmitted assets	(10,431)	5,120	11,118
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	2,495,282	1,703,107	4,206,548
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	52,143,729	47,145,006	49,648,447
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		0	0
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. Miscellaneous Income	85,100	72,426	141,078
1402.		0	0
1403.		0	0
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)	85,100	72,426	141,078
3701.		0	0
3702.		0	0
3703.		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)	0	0	0

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE COMPANY**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	20,097,257	18,242,101	36,636,258
2. Net investment income.....	1,511,738	1,481,659	2,937,434
3. Miscellaneous income.....	1,826,896	1,959,659	3,887,456
4. Total (Lines 1 to 3).....	23,435,891	21,683,419	43,461,148
5. Benefit and loss related payments.....	10,041,706	10,004,845	21,166,477
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.....	8,724,979	7,805,043	15,131,424
8. Dividends paid to policyholders.....	51,817	51,541	105,798
9. Federal and foreign income taxes paid (recovered) net of \$ .....35,481 tax on capital gains (losses).....	1,776,387	1,791,666	1,791,666
10. Total (Lines 5 through 9).....	20,594,888	19,653,095	38,195,365
11. Net cash from operations (Line 4 minus Line 10).....	2,841,003	2,030,324	5,265,783
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	8,169,067	8,806,576	16,491,182
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	264,170	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	8,433,237	8,806,576	16,491,182
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	10,322,947	11,391,514	21,942,892
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	10,322,947	11,391,514	21,942,892
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).....	(1,889,710)	(2,584,938)	(5,451,710)
<b>Cash from Financing and Miscellaneous Sources</b>			
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).....	(591,034)	558,696	405,034
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(591,034)	558,696	405,034
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	360,259	4,082	219,107
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	817,576	598,469	598,469
19.2 End of period (Line 18 plus Line 19.1).....	1,177,834	602,551	817,576

**STATEMENT AS OF JUNE 30, 2013 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

A. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. The State of Ohio requires that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. The Company does not employ accounting practices that depart from the NAIC Accounting Practices and Procedures Manual.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

NO CHANGE

**3. BUSINESS COMBINATIONS AND GOODWILL**

NONE

**4. DISCONTINUED OPERATIONS**

NO CHANGE

**5. INVESTMENTS**

**D. LOAN-BACKED SECURITIES**

1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.

2) NONE

3) NONE

4) As impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.

Aggregate Amount of Unrealized Losses:

1	Less than 12 Months	(75,175)
2	Greater than 12 Months	0

b.

The Aggregate Related Fair Value of Securities with Unrealized Losses:

1	Less than 12 Months	3,390,517
2	Greater than 12 Months	0

5. According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on 9/30/09. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

**E. Repurchase Agreements and/or Securities Lending Transactions**

b) Collateral Received

	Fair Value
The fair value of that collateral and of the portion of that collateral that it has sold or re-pledged	1,504,068

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

NO CHANGE

**7. INVESTMENT INCOME**

NO CHANGE

**8. DERIVATIVE INSTRUMENTS**

NONE

**9. FEDERAL INCOME**

	June 30, 2013	December 31, 2012
Gross Deferred Tax Assets	\$ 1,571,034	\$ 1,484,050
Gross Deferred Tax Liabilities	188,300	182,318
Net Deferred Tax Asset (Liability)	1,382,734	1,301,732
Non-admitted Deferred Tax Assets	-	-
Admitted Deferred Tax Asset	<u>1,382,734</u>	<u>1,301,732</u>
(Increase) Decrease in Deferred Tax Assets Non-admitted	\$ -	\$ 10,094

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

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

	June 30, 2013	December 31, 2012
Current Income Tax Expense	\$ 1,176,681	\$ 1,710,526
Tax on Capital Gains/(Losses)	35,481	65,219
Prior Year Under Accrual (Over Accrual)	-	642
Federal Income Taxes Incurred	<u>\$ 1,212,162</u>	<u>\$ 1,776,387</u>

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

NO CHANGE

**11. DEBT**

NONE

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTRETIREMENT BENEFIT PLANS**

No Pension, Postretirement or Postemployment and Compensated Absence Benefit Plans

**STATEMENT AS OF JUNE 30, 2013 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS  
NO CHANGE

14. CONTINGENCIES  
NO CHANGE

15. LEASES  
NO CHANGE

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK.  
NONE

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

B. Transfer and Servicing of Financial Assets

2. For all servicing assets and servicing liabilities:

b) None

4. For securitizations, asset-backed financing arrangements and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the Accounting Practices and Procedures Manual) with the transferred financial assets:

a) None

b) None

C. Wash Sales

None

18. GAINS OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.

NONE

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

NONE

20. FAIR VALUE MEASUREMENTS

A.

1. NONE

2. NONE

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 2 and Level 3 of the fair value hierarchy are as follows:

According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of June 30, 2013, the Company did not have any bonds rated NAIC 3 thru 6, and therefore did not report any securities at fair value.

B. Not Required

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
Bonds	79,632,861	76,411,143	7,273,119	72,359,743	0	0
Common Stock	2,000	2,000	0	0	0	2,000
Perpetual Preferred	0	0	0	0	0	0
Mortgage Loans	0	0	0	0	0	0
Money Market	1,177,834	1,177,834	1,177,834	0	0	0
Total	80,812,695	77,590,977	8,450,953	72,359,743	0	2,000

D. Not Practicable to Estimate Fair Value

Type of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Bonds	0			
Common Stock	2,000	N/A	N/A	Affiliate
Perpetual Preferred	0			
Mortgage Loans	0			
Money Market	0			
Total	2,000			

21. OTHER ITEMS

NO CHANGE

22. EVENTS SUBSEQUENT

NO CHANGE

23. REINSURANCE

NO CHANGE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

NONE

**STATEMENT AS OF JUNE 30, 2013 OF THE  
TRUSTGARD INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by \$(0.223) million from \$28.082 million in 2012 to \$27.859 million in 2013 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on private passenger auto liability and homeowners lines of insurance. This increase (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. Included in this increase (decrease), the Company experienced \$0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, since the business to which it relates is subject to premium adjustments, there was no significant impact on surplus.

LOSSES AND LAE	June 30, 2013	December 31, 2012
BALANCE JANUARY 1	28,082,004	26,832,749
LESS REINSURANCE RECOVERABLES	<u>10,337,273</u>	<u>9,065,766</u>
NET BALANCE JANUARY 1	<u>17,744,731</u>	<u>17,766,983</u>
 INCURRED RELATED TO:		
CURRENT YEAR	12,148,140	26,512,303
PRIOR YEAR	<u>(222,690)</u>	<u>(1,522,030)</u>
TOTAL INCURRED	<u>11,925,450</u>	<u>24,990,273</u>
 PAID RELATED TO:		
CURRENT YEAR	5,930,717	17,419,258
PRIOR YEAR	<u>6,233,181</u>	<u>7,593,267</u>
TOTAL PAID	<u>12,163,897</u>	<u>25,012,525</u>
NET BALANCE AT DECEMBER 31	17,506,283	17,744,731
PLUS REINSURANCE RECOVERABLES	<u>12,497,013</u>	<u>10,337,273</u>
BALANCE AT DECEMBER 31	<u><u>30,003,296</u></u>	<u><u>28,082,004</u></u>

**26. INTERCOMPANY POOLING AGREEMENTS**  
NO CHANGE

**27. STRUCTURED SETTLEMENTS**  
NO CHANGE.

**28. HEALTH CARE RECEIVABLES**  
NONE

**29. PARTICIPATING POLICIES**  
NONE

**30. PREMIUM DEFICIENCY RESERVES**  
NO CHANGE

**31. HIGH DEDUCTIBLES**  
NONE

**32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES**  
NONE

**33. ASBESTOS/ENVIRONMENTAL RESERVES**  
NONE

**34. SUBSCRIBER SAVINGS ACCOUNTS**  
NOT APPLICABLE

**35. MULTIPLE PERIL CROP INSURANCE**  
NONE

**36. FINANCIAL GUARANTY INSURANCE**  
No Financial Guaranty Insurance

**37. CATASTROPHIC PLANNING**  
NO CHANGE

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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 [ ] No [X]

2.2 If yes, date of change: ..... 01/01/3000

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 [X] NA [ ]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2009

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. ..... 12/31/2009

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). ..... 10/25/2010

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 TRUSTGARD INSURANCE 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 [X]  No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 2,214,487

**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 .....	\$ .....	\$ .....
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).....	\$ .....	\$ .....
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 TRUSTGARD INSURANCE 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	\$.....1,504,188
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....1,504,104
16.3 Total payable for securities lending reported on the liability page	\$.....1,504,104

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
JP Morgan Chase Bank, N.A.....	1111 Polaris Parkway, Columbus, OH 43240.....

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

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 TRUSTGARD INSURANCE 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..... %  
5.2 A&H cost containment percent .. %  
5.3 A&H expense percent excluding cost containment expenses..... %

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 TRUSTGARD INSURANCE COMPANY

## **SCHEDULE F - CEDED REINSURANCE**

**Showing All New Reinsurers - Current Year to Date**

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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
2. Alaska	AK. N.		0		0		0
3. Arizona	AZ. N.		0		0		0
4. Arkansas	AR. N.		0		0		0
5. California	CA. L.		0		0		0
6. Colorado	CO. L.		0		0		0
7. Connecticut	CT. N.		0		0		0
8. Delaware	DE. N.		0		0		0
9. Dist. Columbia	DC. N.		0		0		0
10. Florida	FL. N.		0		0		0
11. Georgia	GA. L.	6,619,031	6,915,916	3,307,714	3,162,210	1,722,695	3,538,599
12. Hawaii	HI. N.		0		0		0
13. Idaho	ID. N.		0		0		0
14. Illinois	IL. L.	11,337,269	11,850,128	8,471,173	7,190,856	7,748,125	9,744,845
15. Indiana	IN. L.	14,552,792	12,509,743	8,614,052	6,607,545	5,065,638	5,504,757
16. Iowa	IA. L.		0		0		0
17. Kansas	KS. L.		0		0		0
18. Kentucky	KY. L.	6,637,541	6,446,576	3,990,699	7,797,837	3,103,465	6,724,226
19. Louisiana	LA. N.		0		0		0
20. Maine	ME. N.		0		0		0
21. Maryland	MD. N.		0		0		0
22. Massachusetts	MA. N.		0		0		0
23. Michigan	MI. N.		0		0		0
24. Minnesota	MN. L.		0		0		0
25. Mississippi	MS. N.		0		0		0
26. Missouri	MO. L.		0	(607)	(729)		0
27. Montana	MT. N.		0		0		0
28. Nebraska	NE. L.		0		0		0
29. Nevada	NV. N.		0		0		0
30. New Hampshire	NH. N.		0		0		0
31. New Jersey	NJ. N.		0		0		0
32. New Mexico	NM. N.		0		0		0
33. New York	NY. N.		0		0		0
34. No. Carolina	NC. N.		0		0		0
35. No. Dakota	ND. L.		0		0		0
36. Ohio	OH. L.	7,967,450	7,071,281	4,340,655	4,413,618	3,646,992	4,266,061
37. Oklahoma	OK. N.		0		0		0
38. Oregon	OR. L.		0		0		0
39. Pennsylvania	PA. L.	10,898,066	10,529,913	5,952,873	5,941,986	7,004,020	7,175,110
40. Rhode Island	RI. N.		0		0		0
41. So. Carolina	SC. L.	4,210,696	2,488,931	2,000,253	1,254,114	2,275,128	1,726,841
42. So. Dakota	SD. L.		0		0		0
43. Tennessee	TN. L.	13,379,988	13,193,963	5,831,738	11,422,751	7,018,696	8,861,262
44. Texas	TX. L.		0		0		0
45. Utah	UT. N.		0		0		0
46. Vermont	VT. N.		0		0		0
47. Virginia	VA. L.	5,765,164	4,051,223	3,091,164	3,176,811	3,475,235	3,809,929
48. Washington	WA. L.		0		0		0
49. West Virginia	WV. N.		0		0		0
50. Wisconsin	WI. L.		0		0		0
51. Wyoming	WY. N.		0		0		0
52. American Samoa	AS. N.		0		0		0
53. Guam	GU. N.		0		0		0
54. Puerto Rico	PR. N.		0		0		0
55. U.S. Virgin Islands	VI. N.		0		0		0
56. Northern Mariana Islands	MP. N.		0		0		0
57. Canada	CAN. N.		0		0		0
58. Aggregate Other Alien	OT. XXX	0	0	0	0	0	0
59. Totals	(a) 21	81,367,997	75,057,674	45,599,714	50,966,999	41,059,994	51,351,630
<b>DETAILS OF WRITE-INS</b>							
58001.	XXX.						
58002.	XXX.						
58003.	XXX.						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX.	0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0

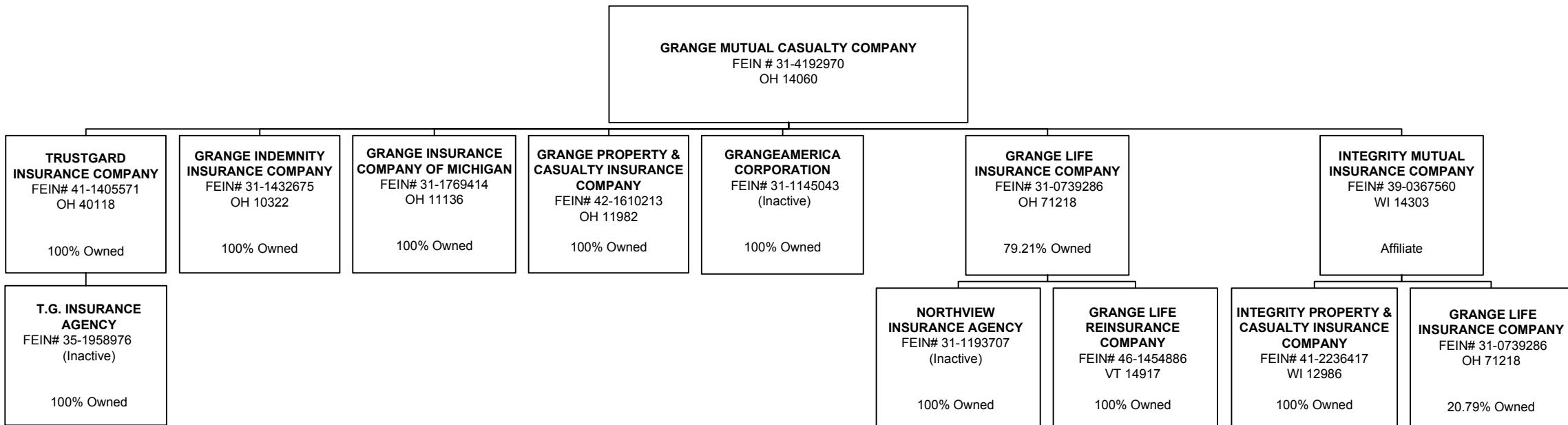
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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 TRUSTGARD INSURANCE COMPANY**

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

Asterisk	Explanation
1	Reporting Entity.....

2

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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	1,541,283	877,673	56.9	86.9
2. Allied lines	1,038,922	225,229	21.7	33.9
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	23,187,868	14,076,370	60.7	100.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	478,406	161,413	33.7	27.8
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	284,714		0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation	1,916,184	1,224,968	63.9	82.0
17.1 Other liability occurrence	550,797	(59,294)	(10.8)	90.0
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	27,345,931	12,302,634	45.0	57.4
19.3,19.4 Commercial auto liability	2,488,606	1,309,101	52.6	91.8
21. Auto physical damage	18,458,568	10,405,180	56.4	65.4
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			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
<b>TOTALS</b>	<b>77,291,279</b>	<b>40,523,274</b>	<b>52.4</b>	<b>73.0</b>
<b>DETAILS OF WRITE-INS</b>				
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	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	
1. Fire	.804,361	1,578,332	1,450,339	
2. Allied lines	539,621	1,044,337	967,964	
3. Farmowners multiple peril	0		0	
4. Homeowners multiple peril	13,414,677	24,019,243	21,651,544	
5. Commercial multiple peril	0		0	
6. Mortgage guaranty	0		0	
8. Ocean marine	0		0	
9. Inland marine	268,111	475,969	476,050	
10. Financial guaranty	0		0	
11.1 Medical professional liability-occurrence	0		0	
11.2 Medical professional liability-claims made	0		0	
12. Earthquake	144,853	268,177	306,215	
13. Group accident and health	0		0	
14. Credit accident and health	0		0	
15. Other accident and health	0		0	
16. Workers' compensation	1,101,160	1,881,938	2,340,558	
17.1 Other liability occurrence	303,315	540,453	536,457	
17.2 Other liability-claims made	0		0	
17.3 Excess Workers' Compensation	0		0	
18.1 Products liability-occurrence	0		0	
18.2 Products liability-claims made	0		0	
19.1,19.2 Private passenger auto liability	13,778,037	27,971,970	27,612,723	
19.3,19.4 Commercial auto liability	2,230,468	4,227,623	1,810,763	
21. Auto physical damage	9,567,796	19,359,955	17,905,061	
22. Aircraft (all perils)	0		0	
23. Fidelity	0		0	
24. Surety	0		0	
26. Burglary and theft	0		0	
27. Boiler and machinery	0		0	
28. Credit	0		0	
29. International	0		0	
30. Warranty	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	
<b>TOTALS</b>	<b>42,152,399</b>	<b>81,367,997</b>	<b>75,057,674</b>	
<b>DETAILS OF WRITE-INS</b>				
3401.		0		0
3402.		0		0
3403.		0		0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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 .....	2,999	1,693	4,692	1,755	201	1,957	2,096	188	450	2,734	.852	(853)	(1)	
2. 2011 .....	2,190	1,770	3,959	750	71	.821	1,636	32	1,383	3,051	.197	(284)	(87)	
3. Subtotals 2011 + prior .....	5,189	3,463	8,652	2,505	273	2,778	3,733	220	1,833	5,786	1,049	(1,137)	(88)	
4. 2012 .....	4,151	4,943	9,093	2,261	.582	2,843	2,516	183	3,416	6,115	.626	(761)	(135)	
5. Subtotals 2012 + prior .....	9,339	8,406	17,745	4,766	.855	5,621	6,249	.403	5,249	11,901	1,675	(1,898)	(223)	
6. 2013 .....	XXX	XXX	XXX	XXX	6,543	6,543	XXX	2,629	2,976	5,605	XXX	XXX	XXX	
7. Totals .....	9,339	8,406	17,745	4,766	7,398	12,164	6,249	3,032	8,226	17,506	1,675	(1,898)	(223)	
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	49,648										1.	17.9	2.	(22.6)
											3.	(1.3)	Col. 13, Line 7 Line 8	
											4.	(0.4)		

## STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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? .....NO.....

### **Explanation:**

- 1.
- 2.
- 3.
- 4.

### **Bar Code:**

1.   
4 0 1 1 8 2 0 1 3 4 9 0 0 0 0 0 2
2.   
4 0 1 1 8 2 0 1 3 4 5 5 0 0 0 0 0 2
3.   
4 0 1 1 8 2 0 1 3 3 6 5 0 0 0 0 0 2
4.   
4 0 1 1 8 2 0 1 3 5 0 5 0 0 0 0 0 2

**OVERFLOW PAGE FOR WRITE-INS**

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**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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		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. 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		0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		0	0
10. Deduct total nonadmitted amounts		0	0
11. Statement value at end of current period (Line 9 minus Line 10)		0	0

**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

**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		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 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)		0	0
12. Deduct total nonadmitted amounts		0	0
13. Statement value at end of current period (Line 11 minus Line 12)		0	0

**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		74,428,504	69,254,217
2. Cost of bonds and stocks acquired		10,322,948	21,942,892
3. Accrual of discount		17,718	79,143
4. Unrealized valuation increase (decrease)		0	0
5. Total gain (loss) on disposals		101,375	186,339
6. Deduct consideration for bonds and stocks disposed of		8,169,068	16,491,182
7. Deduct amortization of premium		288,334	542,905
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)		76,413,143	74,428,504
11. Deduct total nonadmitted amounts		0	0
12. Statement value at end of current period (Line 10 minus Line 11)		76,413,143	74,428,504

STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE 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
<b>BONDS</b>								
1. Class 1 (a).....	61,563,653	7,165,058	7,104,999	1,589,198	61,563,653	63,212,909	0	60,415,489
2. Class 2 (a).....	14,641,983	1,479,344	507,780	(1,486,618)	14,641,983	14,126,928	0	14,828,591
3. Class 3 (a).....	0			249,140	0	249,140	0	0
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.....	76,205,635	8,644,402	7,612,779	351,719	76,205,635	77,588,977	0	75,244,080
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
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.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	76,205,635	8,644,402	7,612,779	351,719	76,205,635	77,588,977	0	75,244,080

(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 \$ .....1,177,834 ; NAIC 2 \$ ..... ;

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

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STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE COMPANY

**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	1,177,834	XXX	1,177,834	16	0

**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.....	817,576	598,469
2. Cost of short-term investments acquired .....	3,379,238	6,862,264
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	3,018,980	6,643,157
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).....	1,177,834	817,576
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	1,177,834	817,576

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3  
**NONE**

## STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE COMPANY

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
<b>Bonds - U.S. Governments</b>									
313383-3L-3.....	FHLB Call 1.125% 05/22/28.....		05/06/2013.....	FTN Financial.....		500,000	500,000		1.....
0599999 - Bonds - U.S. Governments						500,000	500,000	0	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>									
70914P-TU-6.....	Pennsylvania State Call 5.000% 04/01/2.....		04/24/2013.....	Morgan Stanley.....	316,675	250,000	625	1FE	
880541-SU-2.....	Tennessee State Call 5.000% 08/01/27.....		05/28/2013.....	Huntington Investment Co.....	122,289	100,000	1,667	1FE	
93974C-8D-5.....	Washington State Call 5.000% 07/01/25.....		04/15/2013.....	Huntington Investment Co.....	312,355	250,000	2,535	1FE	
1799999 - Bonds - U.S. States, Territories and Possessions					751,319	600,000	4,826	XXX	
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
199491-6Y-2.....	Columbus, OH Call 5.000% 02/15/26.....		04/29/2013.....	Cantor Fitz.....	310,155	250,000	2,674	1FE	
280455-EA-0.....	Edgewood, OH Call 5.000% 12/01/28.....		06/26/2013.....	Huntington Investment Co.....	264,170	250,000		1FE	
592112-NG-7.....	Metro Govt Nashville-Davidson Call 5.0.....		05/23/2013.....	Morgan Stanley.....	303,703	250,000	.694	1FE	
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					878,028	750,000	3,368	XXX	
<b>Bonds - U.S. Special Revenue</b>									
313661-PB-9.....	FNMA Call 1.250% 06/27/28.....		06/19/2013.....	Stifel Nicolaus & Co.....	498,750	500,000		1.....	
574218-GC-1.....	Maryland St Hlth & Hgr Ed-Call 5.000%.....		05/10/2013.....	Stephens Inc.....	582,350	500,000	.9,306	1FE	
645791-RS-5.....	New Jersey Call 5.000% 09/01/21.....		04/26/2013.....	Tax Free Exchange.....	739,000	720,000	.5,500	1FE	
67756A-3A-8.....	Ohio State Call 3.000% 01/01/23.....		04/29/2013.....	Stifel Nicolaus & Co.....	263,183	250,000	2,521	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					2,083,283	1,970,000	17,326	XXX	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
14309U-AA-0.....	Carlisle Holdings Finance 144A 3.875% 0.....		04/30/2013.....	National Financial Services.....	528,540	500,000	.5,651	1FE	
59562H-AJ-7.....	Midamerican Funding NC 6.927% 03/01/29.....		06/10/2013.....	Mesirrow Financial.....	256,994	200,000	3,925	1FE	
645767-AY-0.....	New Jersey Bell Telephone NC 8.000% 06.....		05/01/2013.....	Keybanc Capital Markets.....	668,145	500,000	17,222	1FE	
693506-AQ-0.....	PPG Industries NC 9.000% 05/01/21.....		05/07/2013.....	Stifel Nicolaus & Co.....	705,240	500,000	.1,125	2FE	
712704-AA-3.....	People's United Financial Call 3.650%.....		04/17/2013.....	Stifel Nicolaus & Co.....	517,110	500,000	.6,894	1FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)					2,676,029	2,200,000	34,818	XXX	
8399997 - Subtotals- Bonds - Part 3					6,888,658	6,020,000	60,339	XXX	
8399999 - Subtotals - Bonds					6,888,658	6,020,000	60,339	XXX	
					6,888,658	XXX	60,339	XXX	
<b>9999999 Totals</b>									

(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 TRUSTGARD INSURANCE 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.								
<b>Bonds - U.S. Governments</b>																						
38373Q-PY-1...	GNR 2003-41 BX 4.500% 05/20/33...	..06/01/2013..	Paydown.....			18,285	18,285	18,337	18,268			.17		.17		18,285			0	.339	05/20/2033	.1FE...
38378C-RT-6...	GNR 2012-13 EG 2.000% 10/20/40...	..06/01/2013..	Paydown.....			10,957	10,957	11,082	11,052			(95)		(95)		10,957			0	.82	10/20/2040	.1FE...
38378D-VT-9...	GNR 2012-36 MA 3.000% 06/20/39...	..06/01/2013..	Paydown.....			7,438	7,438	7,916	7,842			(405)		(405)		7,438			0	.94	06/20/2039	.1FE...
<b>0599999 - Bonds - U.S. Governments</b>					36,680	36,680	37,335	37,162	0	(482)	0	(482)	0	36,680	0	0	0	0	524	XXX	XXX	
<b>Bonds - U.S. States, Territories and Possessions</b>																						
93974B-GG-1...	Washington State Call 5.000% 07/01/24...	..04/11/2013..	Huntington Investment Co. ....		549,760	500,000	533,265	514,540			(1,625)		(1,625)		512,916		36,844	36,844	19,792	07/01/2024	.1FE...	
<b>1799999 - Bonds - U.S. States, Territories and Possessions</b>					549,760	500,000	533,265	514,540	0	(1,625)	0	(1,625)	0	512,916	0	36,844	36,844	19,792	XXX	XXX		
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																						
199491-XS-5...	Columbus, OH GO Unitd Call 5.000% 12/1/...	..04/16/2013..	Huntington Investment Co. ....		579,500	500,000	533,610	516,091			(1,122)		(1,122)		514,969		64,531	64,531	8,611	12/15/2022	.1FE...	
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>					579,500	500,000	533,610	516,091	0	(1,122)	0	(1,122)	0	514,969	0	64,531	64,531	8,611	XXX	XXX		
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																						
312962-QG-1...	FG B10455 5.000% 10/01/18...	..06/01/2013..	Paydown.....		67,931	67,931	72,856	72,159			(4,228)		(4,228)		67,931			0	1,510	10/01/2018	.1FE...	
313380-5V-5...	FHLB Call 1.000% 08/09/22...	..05/09/2013..	Call 100.0000.....		500,000	500,000	500,000	500,000			0		0		500,000			0	3,750	08/09/2022	.1FE...	
3136AA-CD-5...	FNMA Call 4.000% 05/25/41...	..06/01/2013..	Paydown.....		37,765	37,765	37,741				24		24		37,765			0	309	05/25/2041	.1FE...	
313660-EV-9...	FNMA Call 2.000% 04/30/32...	..04/30/2013..	Call 100.0000.....		1,000,000	1,000,000	999,500	999,515			485		485		1,000,000			0	5,000	04/30/2032	.1FE...	
313660-KW-0...	FNMA Pool 253543 7.000% 05/24/32...	..05/24/2013..	Call 100.0000.....		500,000	500,000	500,000	500,000			0	(1,122)	0	(1,122)	500,000			0	5,000	05/24/2032	.1FE...	
31371J-S8-8...	FNMA Pool 253543 AS 3.500% 11/01/20...	..06/01/2013..	Paydown.....		269	269	266	267			2		2		269			0	.8	11/01/2020	.1FE...	
3137A3-JW-0...	FHR 3753 AS 3.500% 11/15/25...	..06/01/2013..	Paydown.....		87,944	87,944	90,734	89,475			(1,531)		(1,531)		87,944			0	1,260	11/15/2025	.1FE...	
3137A3-PN-3...	FHR 3762 GM 3.500% 08/15/28...	..06/01/2013..	Paydown.....		35,456	35,456	36,563	35,802			(345)		(345)		35,456			0	.515	08/15/2028	.1FE...	
3137A5-WW-0...	FHR 3788 WA 4.000% 12/15/28...	..06/01/2013..	Paydown.....		68,096	68,096	69,993	68,803			(706)		(706)		68,096			0	1,140	12/15/2028	.1FE...	
3137AG-CA-6...	FHR 3947 BC 2.500% 10/15/26...	..06/01/2013..	Paydown.....		14,548	14,548	15,046	14,847			(299)		(299)		14,548			0	.147	10/15/2026	.1FE...	
3137AN-JP-1...	FHR 4013 WY 3.602% 11/15/40...	..06/01/2013..	Paydown.....		15,971	15,971	16,420	16,382			(411)		(411)		15,971			0	.247	11/15/2040	.1FE...	
3138M8-CJ-0...	FHR AP4572 3.000% 09/01/27...	..06/01/2013..	Paydown.....		16,164	16,164	17,255	17,238			(1,074)		(1,074)		16,164			0	.202	09/01/2027	.1FE...	
31392E-SX-9...	FHR 2002-59 B 5.500% 09/25/17...	..06/01/2013..	Paydown.....		4,737	4,737	4,821	4,744			(7)		(7)		4,737			0	.107	09/25/2017	.1FE...	
31393A-GG-6...	FHR 2003-28 GA 4.000% 10/25/32...	..06/01/2013..	Paydown.....		7,879	7,879	7,835	7,854			24		24		7,879			0	.129	10/25/2032	.1FE...	
31393B-QC-2...	FHR 2003-37 QB 5.000% 05/25/32...	..04/01/2013..	Paydown.....		10,683	10,683	10,623	10,645			37		37		10,683			0	.178	05/25/2032	.1FE...	
31394L-PM-8...	FHR 2698 BA 5.000% 11/15/32...	..06/01/2013..	Paydown.....		4,880	4,880	4,908	4,874			5		5		4,880			0	.106	11/15/2032	.1FE...	
31395J-5E-2...	FHR 2881 AG 4.500% 08/15/34...	..06/01/2013..	Paydown.....		5,140	5,140	5,127	5,130			(10)		(10)		5,140			0	.96	08/15/2034	.1FE...	
31395W-4L-8...	FHR 3003 LD 5.000% 12/15/34...	..06/01/2013..	Paydown.....		40,738	40,738	42,775	41,763			(1,024)		(1,024)		40,738			0	.847	12/15/2034	.1FE...	
31397S-ZF-4...	FHR 2011-42 VA 4.500% 06/25/22...	..06/01/2013..	Paydown.....		9,615	9,615	10,178	9,707			(92)		(92)		9,615			0	.180	06/25/2022	.1FE...	
31398L-NU-8...	FHR 3601 A 4.000% 07/15/23...	..06/01/2013..	Paydown.....		56,588	56,588	59,389	57,439			(851)		(851)		56,588			0	.928	07/15/2023	.1FE...	
31398S-SG-9...	FHR 2010-136 BA 3.500% 12/25/30...	..06/01/2013..	Paydown.....		14,677	14,677	15,194	15,017			(341)		(341)		14,677			0	.212	12/25/2030	.1FE...	
31402C-4H-2...	FHR 725424 5.500% 04/01/34...	..06/01/2013..	Paydown.....		14,116	14,116	13,966	13,969			147		147		14,116			0	.323	04/01/2034	.1FE...	
31403B-4M-2...	FHR 744328 5.000% 09/01/33...	..06/01/2013..	Paydown.....		6,972	6,972	6,697	6,707			266		266		6,972			0	.134	09/01/2033	.1FE...	
31403D-GZ-6...	FHR 745516 5.500% 05/01/36...	..06/01/2013..	Paydown.....		6,261	6,261	6,253	6,253			8		8		6,261			0	.144	05/01/2036	.1FE...	

**STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE COMPANY**

## **SCHEDULE D - PART 4**

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

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

E05.1

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**

STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE COMPANY

**SCHEDULE DL - PART 1**  
**SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation/Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						
000000-00-0.	ABN Amro Bank NV.....	0.....	1FE.....	.91,244	.91,175	10/04/2013.....
000000-00-0.	Blackrock Tempfund.....	0.....	1FE.....	528,558	528,558	07/01/2013.....
000000-00-0.	Commonwealth Bk Australia Syd OBU.....	0.....	1FE.....	36,469	36,469	08/28/2013.....
000000-00-0.	Commonwealth Bk Australia Syd OBU.....	0.....	1FE.....	.54,704	.54,704	08/30/2013.....
000000-00-0.	Deutsche Bank NY.....	0.....	1FE.....	36,484	36,469	09/05/2013.....
000000-00-0.	Deutsche Bank NY.....	0.....	1FE.....	36,483	36,469	09/13/2013.....
000000-00-0.	Lanesbank Hessen Thur LDN.....	0.....	1FE.....	72,940	72,940	07/05/2013.....
000000-00-0.	Macquarie Bank LTD.....	0.....	1FE.....	36,463	36,462	09/01/2013.....
000000-00-0.	Matchpoint Master Trust.....	0.....	1FE.....	36,453	36,447	09/16/2013.....
000000-00-0.	Mizuho Corporate Bank LTD Sydney.....	0.....	1FE.....	.54,698	.54,694	07/24/2013.....
000000-00-0.	Norinchukin Bank MY.....	0.....	1FE.....	36,479	36,469	11/15/2013.....
000000-00-0.	Pohjola Bank Helsinki.....	0.....	1FE.....	.54,704	.54,704	07/18/2013.....
000000-00-0.	United Overseas Bank LTD NY.....	0.....	1FE.....	.54,704	.54,704	07/03/2013.....
000000-00-0.	Westpac Banking Corp Singapore.....	0.....	1FE.....	72,939	72,939	09/18/2013.....
000000-00-0.	Deutsche Bank NY.....	0.....	1FE.....	54,705	54,704	07/25/2013.....
000000-00-0.	JPMorgan Securities LLC.....	RR.....	1FE.....	.91,174	.91,174	08/02/2013.....
000000-00-0.	Natixis Financial Products LLC.....	0.....	1FE.....	.91,174	.91,174	07/01/2013.....
000000-00-0.	Rabobank New York.....	0.....	1FE.....	.63,813	.63,849	10/29/2013.....
1899999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S.						
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						
6199999 - Bonds - Total Bonds - Subtotals - Issuer Obligations						
6599999 - Bonds - Total Bonds - Subtotals - Total Bonds						
9999999 Totals						
				1,504,188	1,504,104	XXX

General Interrogatories:

1. Total activity for the year to date ..... Fair Value \$ ..... 1,504,188 Book/Adjusted Carrying Value \$ ..... 1,504,104
2. Average balance for the year to date ..... Fair Value \$ ..... 2,879,107 Book/Adjusted Carrying Value \$ ..... 2,878,895
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:  
NAIC 1 \$ 1,504,104 ..... NAIC 2 \$ ..... NAIC 3 \$ ..... NAIC 4 \$ ..... NAIC 5 \$ ..... NAIC 6 \$ .....

STATEMENT AS OF JUNE 30, 2013 OF THE TRUSTGARD INSURANCE COMPANY

# **SCHEDULE DL - PART 2**

## **SECURITIES LENDING COLLATERAL ASSETS**

### General Interrogatories:

1. Total activity for the year to date..... Fair Value \$..... Book/Adjusted Carrying Value \$.....  
 2. Average balance for the year to date..... Fair Value \$..... Book/Adjusted Carrying Value \$.....

Schedule E - Part 1  
**NONE**

Schedule E - Part 2  
**NONE**