

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

2013

ASSETS

		Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds (Schedule D - Part 1)	0.00	0.00	0.00	
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	221,671.96	13,994.97	207,676.99	210,306.73
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	0.00	
4	Cash (Schedule E)	119,465.90	0.00	119,465.90	173,761.79
5	Short-term investments		0.00	0.00	
6	Aggregate write-ins for invested assets		0.00	0.00	
7	Subtotals, cash and invested assets	341,137.86	13,994.97	327,142.89	384,068.52
8	Investment income due and accrued		0.00	0.00	
9.1	Assessments or premiums in the course of collection (including agents balances)	4,433.00	0.00	4,433.00	
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due		0.00	0.00	
9.3	Earned but unbilled premiums (post assessment)	18,455.66	0.00	18,455.66	11,017.67
10.1	Amounts recoverable from reinsurers		0.00	0.00	
10.2	Funds held by or deposited with reinsured companies	51,659.26	0.00	51,659.26	47,132.33
11.1	Current federal income tax recoverable and interest thereon		0.00	0.00	
11.2	Net deferred tax asset		0.00	0.00	
12	Electronic data processing equipment and software		0.00	0.00	
13	Furniture and equipment		0.00	0.00	
14	Receivables from parent, subsidiaries and affiliates		0.00	0.00	
15	Aggregate write-ins for other than invested assets	5,410.83	0.00	5,410.83	3,693.72
16	Total Assets	421,096.61	13,994.97	407,101.64	445,912.24
	Details of Write-Ins for Assets:				
1501	Subsidiary - Lucas County Insurance Agcy LLC	1,110.83		1,110.83	3,693.72
1502	Administrative fee receivable	4,300.00		4,300.00	
1503				0.00	
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00	0.00
1599	Total aggregate write-ins	5,410.83	0.00	5,410.83	3,693.72

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LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

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LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	46,421.26	46,421.26
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents		
4	Other expenses (excluding taxes, licenses and fees)		444.68
5	Taxes, licenses and fees (excluding federal income taxes)		
6	Current federal income taxes (including \$0 on realized capital gains (losses))		
7	Net deferred tax liability		
8	Borrowed money and interest thereon		
9	Unearned assessment/premium reserve	882.25	2,751.04
10	Advance premium		
11	Ceded reinsurance premiums payable		9,351.75
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others		
14	Provision for unauthorized reinsurance		
15	Payable to parent, subsidiaries and affiliates		
16	Aggregate write-ins for liabilities	0.00	0.00
17	Total liabilities	47,303.51	58,968.73
18	Surplus as regards policyholders	359,798.13	386,943.51
19	Total liabilities and surplus	407,101.64	445,912.24
	Details of Write-Ins for Liabilities:		
1601			
1602			
1603			
1698	Summary or remaining write-ins from overflow page	0.00	0.00
1699	Total aggregate write-ins	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION
STATEMENT OF INCOME**

2013

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	134,353.53	126,505.13
1.2	Less: Return Assessments/Premiums earned	1,291.00	
1.3	Direct Assessments/Premiums earned	133,062.53	126,505.13
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	93,491.62	92,439.89
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	0.00
1.6	Net Assessments/Premiums earned	39,570.91	34,065.24
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	1,193.75	5.30
3	Loss expenses incurred (Expense Exhibit)	0.00	
4	Other underwriting expenses incurred (Expense Exhibit)	94,734.84	85,469.93
5	Aggregate write-ins for underwriting deductions	6,484.00	6,559.00
6	Total underwriting deductions	102,412.59	92,034.23
7	Net underwriting gain (loss)	-62,841.68	-57,968.99
	INVESTMENT INCOME		
8	Net investment income earned	7,834.03	9,981.57
9	Net realized capital gains (losses) less capital gains tax	0.00	-3.08
10	Net investment gain (loss)	7,834.03	9,978.49
	OTHER INCOME		
11	Net gain (loss) from agents' or premium balances charged off	0.00	
12	Finance and service charges not included in premiums	0.00	
13	Aggregate write-ins for miscellaneous income	40,188.36	29,974.97
14	Total other income	40,188.36	29,974.97
15	Net income, after capital gains tax and before federal income taxes	-14,819.29	-18,015.53
16	Federal income taxes incurred	0.00	
17	Net income	-14,819.29	-18,015.53
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	386,943.51	418,601.13
19	Net income	-14,819.29	-18,015.53
20	Change in net unrealized capital gains or (losses) less capital gains tax	0.00	
21	Change in net deferred income tax	0.00	
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	-9,743.20	4,569.02
23	Change in provision for reinsurance	0.00	
24	Aggregate write-ins for gains and losses in surplus	-2,582.89	-18,211.11
25	Change in surplus as regards policyholders for the year	-27,145.38	-31,657.62
26	Surplus as regards policyholders, December 31 current year	359,798.13	386,943.51
	DETAILS OF WRITE-INS		
0501	Extended coverage	6,484.00	6,559.00
0502		0.00	
0503		0.00	
0599	Total Aggregate write-ins for underwriting deductions	6,484.00	6,559.00
1301	Deductibles from claims	2,000.00	1,100.00
1302	Commissions earned	21,757.42	18,234.75
1303	Administrative fees	10,500.00	10,400.00
1304	Miscellaneous income and memberships	5,930.94	240.22
1399	Total Aggregate write-ins for miscellaneous income	40,188.36	29,974.97
2401	Adjustment for subsidiary per ODI auditor	0.00	-18,211.11
2402	Adjustment for subsidiary	-2,582.89	
2499	Total Aggregate write-ins for gains and losses in surplus	-2,582.89	-18,211.11

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

2013

CASH FLOW STATEMENT

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	45,553.95	69,645.15
2	Net investment income	7,834.03	9,981.57
3	Miscellaneous income	5,930.94	10,750.02
4	Total	59,318.92	90,376.74
5	Benefit and loss related payments	3,903.90	10,724.22
6	Commissions, expenses paid and aggregate write-ins for deductions	101,421.84	91,708.04
7	Federal and foreign income taxes paid (recovered)		
8	Total	105,325.74	102,432.26
9	Net cash from operations	-46,006.82	-12,055.52
Cash from Investments			
10	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		
10.2	Stocks		430.69
10.3	Real estate		
10.4	Net gains (losses) on cash, cash equivalents and short- term investments		
10.5	Miscellaneous proceeds		
10.6	Total investment proceeds	0.00	430.69
11	Cost of investments acquired (long-term only):		
11.1	Bonds		
11.2	Stocks	7,113.46	8,913.58
11.3	Real estate		
11.4	Miscellaneous applications		430.69
11.5	Total investments acquired	7,113.46	9,344.27
11.6	Net cash from investments	-7,113.46	-8,913.58
Cash from Financing and Miscellaneous Sources			
12.1	Borrowed funds (cash provided/applied)		
12.2	Other cash provided (applied)	-1,175.61	-10,149.34
13	Net cash from financing and miscellaneous sources	-1,175.61	-10,149.34
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT- TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	-54,295.89	-31,118.44
15.1	Beginning of year (cash, cash equivalents and short-term investments)	173,761.79	204,880.23
15.2	End of year (cash, cash equivalents and short-term investments)	119,465.90	173,761.79

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

2013

EXPENSE EXHIBIT

		Current Year
1.1	Claim Adjusting: Direct	1,146.00
1.2	Reinsurance assumed	0.00
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
1.4	Net claim adjusting	1,146.00
2.1	Commission and Brokerage: Direct commission and brokerage	21,042.81
2.2	Reinsurance assumed excluding contingent	0.00
2.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
2.4	Contingent - direct (commission and brokerage)	0.00
2.5	Contingent - reinsurance assumed (commission and brokerage)	0.00
2.6	Contingent - reinsurance ceded (commission and brokerage)	0.00
2.7	Policy and membership fees (commission and brokerage)	0.00
2.8	Net commission and brokerage	21,042.81
3	Allowances to managers and agents	0.00
4	Advertising	0.00
5	Boards, bureaus and associations	1,346.00
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	731.08
8.1	Salary and related items: Salaries	20,290.52
8.2	Payroll taxes	5,034.22
9	Employee relations and welfare	180.01
10	Insurance	4,874.55
11	Directors' fees	10,700.00
12	Travel and travel items	1,917.05
13	Rent and rent items	1,920.00
14	Equipment	0.00
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	416.93
17	Postage, telephone, exchange and express	647.14
18	Legal and auditing	4,098.46
19	Loss adjustment expenses	0.00
18	Investment expenses	0.00
19	Totals	52,155.96
20.1	Taxes, licenses and fees: State and local insurance taxes	0.00
20.2	Insurance department licenses and fees	6,782.71
20.3	All other (excluding federal income and real estate)	0.00
20.4	Total taxes, licenses and fees	6,782.71
21	Real estate expenses	0.00
22	Real estate taxes	0.00
23	Aggregate write-ins for miscellaneous expenses	13,607.36
24	Total expenses incurred (a)	94,734.84
25	Less unpaid expenses - current year	0.00
26	Add unpaid expenses - prior year	0.00
27	Total expenses paid	94,734.84
	Details of Write-Ins:	
2301	Accounting	13,500.00
2302	Bank service fees	107.36
2303		0.00
2304		0.00
2305		0.00
2399	Total Write-ins	13,607.36

(a) Includes management fees of \$0 to affiliates and \$0 to non-affiliates

ANNUAL STATEMENT FOR THE YEAR 2013
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	44,547,550	231
2	Written during the year	2,098,000	8
3	Total	46,645,550	239
4	Deduct those expired and cancelled	2,121,500	13
5	In force December 31 of current year	44,524,050	226
6	Deduct amount reinsured	0	XXX
7	Net amount in force	44,524,050	XXX

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

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**UNDERWRITING EXHIBIT - PART 2
LOSSES INCURRED**

1 Lines of Business	2 Direct Losses Incurred	3 Losses Incurred on Reinsurance Assumed	4 Deduct: Reinsurance Recovered on Incurred Losses	5 Deduct: Salvage and Subrogation Converted To Cash	6 * Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
Wind Fire and Lightning	10,681.85		9,488.10		1,193.75
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 10,681.85	\$ -	\$ 9,488.10	\$ -	\$ 1,193.75

* Total should equal Line 2, Page 4, Current Year.

**UNDERWRITING EXHIBIT - PART 2A
UNPAID LOSSES and LOSS ADJUSTMENT EXPENSES**

1 Lines of Business	2 Direct Unpaid Losses	3 Unpaid Losses on Reinsurance Assumed	4 Deduct: Reinsurance Recoverable on Unpaid Losses	5 ** Unpaid Loss Adjustment Expenses	6 *** Net Unpaid Losses Columns 2 and 3 minus Column 4
Fire	46,421.26				46,421.26
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 46,421.26	\$ -	\$ -	\$ -	\$ 46,421.26

** Total should equal Line 2, Page 3, Current Year.

*** Total should equal Line 1, Page 3, Current Year.

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

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EXHIBIT OF NONADMITTED ASSETS

		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1	Bonds			0.00
2	Preferred and common stocks and mutual funds	13,994.97	4,251.77	-9,743.20
3	Real estate (less liens, encumbrances)			0.00
4	Cash			0.00
5	Short-term investments			0.00
6	Aggregate write-ins for invested assets			0.00
7	Subtotals, cash and invested assets	13,994.97	4,251.77	-9,743.20
8	Investment income due and accrued			0.00
9.1	Assessments or premiums in the course of collection (including agents balances)			0.00
9.2	Premium receivable for advance pay			0.00
9.3	Earned but unbilled premiums (post assessment)			0.00
10.1	Amounts recoverable from reinsurers			0.00
10.2	Funds held by or deposited with reinsured companies			0.00
11.1	Current federal income tax recoverable and interest thereon			0.00
11.2	Net deferred tax asset			0.00
12	Electronic data processing equipment and software			0.00
13	Furniture and equipment			0.00
14	Receivables from parent, subsidiaries and affiliates			0.00
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00
16	Total Assets	13,994.97	4,251.77	-9,743.20
	Details of Write-Ins for Assets:			
1501		0.00	0.00	0.00
1502		0.00	0.00	0.00
1503		0.00	0.00	0.00
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00

2013 ANNUAL STATEMENT OF LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION

SCHEDULE A

Showing All Real Estate **OWNED** December 31 of Current Year

1 Description of Property	2 Date Acquired	3 Name of Vendor	4 Actual Cost	5 Current Year Acquisitions or Permanent Improvements	6 Accumulated Depreciation	7 Amount of Encumbrances	8 Book Value End of Current Year (Col. 4+5-6-7) *	9 Gross Income Current Year (Real Estate)	10 Gross Expenses Current Year (Real Estate)
OVERFLOW AMOUNTS									
Totals	XXX	XXX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Total to agree with Page 2, Line 3, Current Year.

FURNITURE, FIXTURES and AUTOMOBILES

Showing All Furniture, Fixtures and Automobiles **OWNED** December 31 of Current Year

1 Description	2 Date Acquired	3 Name of Vendor	4 Actual Cost	5 Current Year Acquisitions or Permanent Improvements	6 Accumulated Depreciation	7 Amount of Encumbrances	8 Book Value End of Current Year (Col. 4+5-6-7)
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE D - PART 1

SCHEDULE D - PART 1

Showing all **BONDS** Owned on December 31 of Current Year

* Annual Statement Value

SCHEDULE D - PART 2

Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

SCHEDULE D - PART 3

Showing all Bonds and Preferred & Common Stocks **ACQUIRED** During the Current Year

Bonds, preferred stocks, common stocks and mutual funds to be grouped separately.

*The items with reference to each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "various" inserted in Columns 2 and 3.

SCHEDULE D - PART 4

Showing all Bonds and Preferred & Common Stocks **SOLD, REDEEMED OR Otherwise DISPOSED OF** During the Current Year

Bonds, preferred stocks, common stocks and mutual funds to be grouped separately.

REINSURANCE SCHEDULE
Reinsurance Ceded and Reinsurance Assumed

1 Reinsurer or Reinsured	2 Ceded or Assumed	3 Location of Company	4 Total Amount Reinsured	5 Total Premiums Ceded *	6 Total Premiums Assumed **	7 Largest Risk Ceded or Assumed	8 Remarks
Guy Carpenter				93,491.62		1,625,000	
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 93,491.62	\$ -	XXX	XXX

*Total to agree with Page 4, Line 1.4, Current Year.

**Total to agree with Page 4, Line 1.5, Current Year.

COMPENSATION SCHEDULE

Show all salaries, commissions, claim adjustment expenses, directors fees and expenses, and travel items paid in the current year for the top 5 officers/employees and all directors, travel or car allowances, if paid, are to be included.

1 Name of Payee	2 Title	3 Salaries	4 Commissions	5 Claim Adjustment Expenses	6 Directors Fees & Expenses	7 Travel & Travel Items	8 All Other	9 Total
Officers/Employees:								
Stanley Bury	President	600.00	5,253.71	150.00	1,300.00	548.05	50.00	\$ 7,901.76
Daniel Langenderfer	Vice President				1,100.00	113.00		\$ 1,213.00
Pamela Della Flora	Secretary Treasurer	20,290.52			1,900.00	113.00	180.01	\$ 22,483.53
4)								\$ -
5)								\$ -
Directors:								
Mark Fauble		250.00	2,021.70		800.00	176.28		\$ 3,247.98
David Raab		750.00	5,592.75	375.00	1,400.00	593.25	25.00	\$ 8,736.00
Kevin Welch		650.00	2,735.25	225.00	1,400.00	226.57		\$ 5,236.82
David Brick		325.00	2,864.40	75.00	1,400.00	146.90		\$ 4,811.30
Thomas Della Flora					1,400.00			\$ 1,400.00
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ 22,865.52	\$ 18,467.81	\$ 825.00	\$ 10,700.00	\$ 1,917.05	\$ 255.01	\$ 55,030.39

GENERAL INTERROGATORIES

(Answer all questions and attach additional sheets if necessary.)

1. Company's retention: Fire \$250 Wind \$1,250 Other \$500

1a. Retention before reinsurance applies for: Catastrophe Reinsurance Aggregate excess of loss

2. What is the largest risk assumed and retained: \$1,625,000

3. What kind of perils are being covered? Fire, wind and lightning

4. Have the by-laws been amended during the current year? No If so, were such amendments filed with the Ohio Department of Insurance?

5. In what counties does the Company operate: Lucas, Wood, Henry, Defiance, Ottawa, Fulton

6. Name of Principal Officer and amount of bond. Stanley Bury \$50,000

7. Are all of the persons who handle funds of the Company bonded? Yes x No
State the name and amount of each bond on each, except person named in Item 6 above. Pam Della Flora \$50,000

8. Does the Company have an annual audit conducted by an independent CPA? No

9. State the number of members holding policies in the Company. 178

10. Was an annual report of the Company made available to each policyholder? Yes If so, did such report agree with the annual statement filed with the Ohio Department of Insurance? Yes

11. State as of what date the latest examination of the Company was made by the Ohio Department of Insurance. 12/31/2012

12. How many assessments were made during the year? \$1 Date of last assessment 11/1/2013

13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment? Yes

14. Rate of policy fee \$50

15. State the amount of borrowed money since date of last assessment None interest thereon

16. Does any person, firm, corporation or association have any claim, contingent or otherwise, against this Company which is NOT included in the liabilities on page 2 of this statement? Yes No x
If yes, give the amount, terms for payment and reasons why such were not recorded as a liability on page 2 of this statement.

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

2013

SCHEDULE E - CASH or CASH EQUIVALENTS

Showing All Balances (according to Company's Records) Carried in Each Bank or Savings and Loan

All Columns Must Be Completed for Each Deposit, CD, Checking Account, etc.

1 DEPOSITORY Give Full Name and Location	2 Interest Rate	3 Amount of Interest Received During Year	4 Amount of Interest Accrued Dec. 31 of Current Year	5 Book Balance Dec. 31 of Current Year *
OPEN DEPOSITORIES:				
Genoa Bank PO Box 98 Genoa Ohio 43430 A/C 401050120	0.500%	254.61		12,869.34
First Federal Savings and Loan of Delta Holland Branch 6910 Airport Hwy Holland Ohio 43528 A/C 8593113851	0.100%	4.87		106,596.56
PNC Bank Holland Branch 7015 Spring Meadows West Holland, OH 43528 A/C 42-4424-3189	Variable	1.60		0.00
PNC Bank Holland Branch 7015 Spring Meadows West Holland, OH 43528 A/C 2201-3144-580	0.700%	118.31		0.00
First Federal Savings and Loan of Delta Holland Branch 6910 Airport Hwy Holland, OH 43528 A/C 1500031784	1.400%	341.18		0.00
OVERFLOW AMOUNTS	xxxx	0.00	0.00	0.00
Total	xxxx	\$ 720.57	\$ -	\$ 119,465.90

*Total to agree with Page 2, Line 4, Current Year.

**ANNUAL STATEMENT FOR THE YEAR
LUCAS COUNTY MUTUAL INSURANCE ASSOCIATION**

2013

ORGANIZATIONAL CHART

**LIST ALL ENTITIES THAT ARE MEMBERS OF AN INSURANCE COMPANY HOLDING SYSTEM AS
DEFINED IN ORC 3901.32**

Lucas County Mutual Insurance Agency, LLC