



ANNUAL STATEMENT
For the Year Ended December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE
LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code	0207	0207	NAIC Company Code	26123	Employer's ID Number	34-0359380
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States					
Incorporated/Organized	01/01/1906			Commenced Business		03/01/1906
Statutory Home Office	1685 Cleveland Road			Wooster, OH, US 44691-0036		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	1685 Cleveland Road			Wooster, OH, US 44691-0036		330-262-9060
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Mail Address	1685 Cleveland Road			Wooster, OH, US 44691-0036		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	1685 Cleveland Road			Wooster, OH, US 44691-0036		330-262-9060
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Brooke M. McVay, CPA			330-262-9060-2446		
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	brooke_mcvay@wrg-ins.com			330-264-7822		
	(E-Mail Address)			(Fax Number)		

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.....

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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 OFFICER	MICHAEL A. SHUTT VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER	a. Is this an original filing? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [X] No [] _____ _____ _____
Subscribed and sworn to before me this 25 day of February, 2014			
Lauresa Durham, Notary Public July 30, 2016			

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	117,229,921		117,229,921	102,400,388
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,161,426		1,161,426	2,390,695
2.2 Common stocks	71,754,485	310,443	71,444,042	64,582,262
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	5,523,140		5,523,140	5,766,670
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$21,134,487 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$2,924,301 , Schedule DA).....	24,058,788		24,058,788	19,177,191
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	4,785,707		4,785,707	5,153,791
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0		0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	224,513,467	310,443	224,203,024	199,470,997
13. Title plants less \$ charged off (for Title insurers only).....	0		0	0
14. Investment income due and accrued	1,192,094		1,192,094	1,081,422
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,921,142	73,087	15,848,055	15,885,706
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	41,971		41,971	1,688,079
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	1,349,506		1,349,506	0
18.2 Net deferred tax asset.....	0		0	2,427,676
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software.....	0		0	92,704
21. Furniture and equipment, including health care delivery assets (\$)	528,117	528,117	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$) and other amounts receivable.....		0	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).....	243,546,297	911,647	242,634,650	220,646,584
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	243,546,297	911,647	242,634,650	220,646,584
DETAILS OF WRITE-INS				
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.			0	0
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)	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	32,207,040	29,660,936
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	6,422,920	6,202,966
4. Commissions payable, contingent commissions and other similar charges	4,351,910	2,783,857
5. Other expenses (excluding taxes, licenses and fees)	4,350,861	2,500,030
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,269,757	1,230,649
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	102
7.2 Net deferred tax liability	2,513,142	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$353,842 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)	48,112,060	45,504,864
10. Advance premium	760,789	659,415
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	529,101	781,853
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	939	939
14. Amounts withheld or retained by company for account of others	4,489,632	5,677,815
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	0	293,040
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	43,397
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	105,008,151	95,339,863
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	105,008,151	95,339,863
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock		0
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus		0
35. Unassigned funds (surplus)	137,626,499	125,306,721
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	137,626,499	125,306,721
38. Totals (Page 2, Line 28, Col. 3)	242,634,650	220,646,584
DETAILS OF WRITE-INS		
2501. Option Liability.....	0	21,778
2502. Deferred Option Income.....	0	21,619
2503.		
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	43,397
2901.		
2902.		
2903.		
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	
3202.	0	
3203.	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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	99,549,970	92,372,982
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	53,852,585	62,770,052
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	10,103,489	9,868,359
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	34,012,423	31,672,232
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	97,968,497	104,310,643
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	1,581,473	(11,937,661)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	4,421,691	4,697,636
10. Net realized capital gains (losses) less capital gains tax of \$435,944 (Exhibit of Capital Gains (Losses)).....	846,244	563,564
11. Net investment gain (loss) (Lines 9 + 10)	5,267,935	5,261,200
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$98,399)	(98,399)	(90,897)
13. Finance and service charges not included in premiums.....	1,631,162	1,531,209
14. Aggregate write-ins for miscellaneous income	(16,144)	(32,262)
15. Total other income (Lines 12 through 14)	1,516,619	1,408,050
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	8,366,027	(5,268,411)
17. Dividends to policyholders	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)	8,366,027	(5,268,411)
19. Federal and foreign income taxes incurred	(285,449)	(290,321)
20. Net income (Line 18 minus Line 19) (to Line 22)	8,651,476	(4,978,090)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	125,306,721	125,704,192
22. Net income (from Line 20)	8,651,476	(4,978,090)
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$2,786,122	5,408,355	2,302,508
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	(2,109,576)	2,298,750
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	134,885	1,139
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	293,040	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 (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	(58,402)	(21,778)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	12,319,778	(397,471)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	137,626,499	125,306,721
DETAILS OF WRITE-INS		
0501.	0	0
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Other Income (Expense).....	918	(7,097)
1402. Gain/(Loss) sale of Equipment.....	(17,062)	(25,165)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(16,144)	(32,262)
3701. Change in Surplus Due to Prior Period Adjustment (see Footnote 2).....	55,766	0
3702. Change in Surplus Due to Correction of a Depreciation Error (see Footnote 2).....	(189,472)	
3703. Change in Surplus Due to Change in Depreciation Method (see Footnote 2).....	(34,061)	
3798. Summary of remaining write-ins for Line 37 from overflow page	109,365	(21,778)
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(58,402)	(21,778)

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	102,005,788	96,722,142
2. Net investment income	4,815,776	5,142,255
3. Miscellaneous income	1,516,619	1,408,050
4. Total (Lines 1 through 3)	108,338,183	103,272,447
5. Benefit and loss related payments	49,569,427	61,734,077
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	40,429,913	40,098,897
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	1,500,103	(102)
10. Total (Lines 5 through 9)	91,499,443	101,832,872
11. Net cash from operations (Line 4 minus Line 10)	16,838,740	1,439,575
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	14,157,215	15,580,514
12.2 Stocks	27,496,679	21,634,066
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	477,230	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	313,667	35,472
12.8 Total investment proceeds (Lines 12.1 to 12.7)	42,444,791	37,250,052
13. Cost of investments acquired (long-term only):		
13.1 Bonds	29,098,303	13,875,501
13.2 Stocks	24,004,954	24,502,821
13.3 Mortgage loans	0	0
13.4 Real estate	14,531	15,913
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	256,591	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	53,374,379	38,394,235
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(10,929,588)	(1,144,183)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(1,033,857)	(493,006)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,033,857)	(493,006)
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)	4,875,295	(197,614)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	19,177,191	19,374,805
19.2 End of year (Line 18 plus Line 19.1)	24,052,486	19,177,191

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	1,788,686	913,514	944,486	1,757,714
2.	Allied lines	756,182	493,290	511,257	738,215
3.	Farmowners multiple peril	9,747,527	4,713,167	5,273,623	9,187,071
4.	Homeowners multiple peril	27,429,086	14,973,998	15,956,315	26,446,769
5.	Commercial multiple peril	11,115,738	5,305,577	5,802,070	10,619,245
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	934,326	414,808	470,011	879,123
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	22,188	11,095	10,498	22,785
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	604,584	266,545	313,922	557,207
17.1	Other liability - occurrence	426,963	251,934	253,839	425,058
17.2	Other liability - claims-made	(313)	908	438	157
17.3	Excess workers' compensation.....	0	0	0	0
18.1	Products liability-occurrence	68,386	37,616	37,223	68,779
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	23,276,552	8,377,559	8,518,321	23,135,790
19.3,19.4	Commercial auto liability	4,026,119	1,745,465	1,931,850	3,839,734
21.	Auto physical damage	21,818,074	7,931,505	8,018,287	21,731,292
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	46,603	25,811	23,618	48,796
27.	Boiler and machinery	96,465	42,072	46,302	92,235
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance-nonproportional assumed property	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	102,157,166	45,504,864	48,112,060	99,549,970
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
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 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....	.944,486				.944,486
2.	Allied lines .....	.511,257				.511,257
3.	Farmowners multiple peril	5,273,623				5,273,623
4.	Homeowners multiple peril	15,956,315				15,956,315
5.	Commercial multiple peril	5,802,070				5,802,070
6.	Mortgage guaranty	0				0
8.	Ocean marine	0				0
9.	Inland marine	470,011				470,011
10.	Financial guaranty	0				0
11.1	Medical professional liability-occurrence	0				0
11.2	Medical professional liability-claims-made	0				0
12.	Earthquake	10,498				10,498
13.	Group accident and health	0				0
14.	Credit accident and health (group and individual) ...	0				0
15.	Other accident and health	0				0
16.	Workers' compensation	313,922				313,922
17.1	Other liability-occurrence	253,839				253,839
17.2	Other liability-claims-made	438				438
17.3	Excess workers' compensation	0				0
18.1	Products liability-occurrence	37,223				37,223
18.2	Products liability-claims-made	0				0
19.1,19.2	Private passenger auto liability	8,518,321				8,518,321
19.3,19.4	Commercial auto liability	1,931,850				1,931,850
21.	Auto physical damage	8,018,287				8,018,287
22.	Aircraft (all perils)	0				0
23.	Fidelity	0				0
24.	Surety	0				0
26.	Burglary and theft	23,618				23,618
27.	Boiler and machinery	46,302				46,302
28.	Credit	0				0
29.	International	0				0
30.	Warranty	0				0
31.	Reinsurance-nonproportional assumed property	0				0
32.	Reinsurance-nonproportional assumed liability	0				0
33.	Reinsurance-nonproportional assumed financial lines	0				0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	48,112,060	0	0	0	48,112,060
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					48,112,060
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire	6,241	3,246,116	0	1,463,470	201	1,788,686
2.	Allied lines	7,776	1,370,691	0	618,695	3,590	756,182
3.	Farmowners multiple peril	18,699,507	340,720	0	7,975,252	1,317,448	9,747,527
4.	Homeowners multiple peril	31,893,389	21,115,936	0	22,441,979	3,138,260	27,429,086
5.	Commercial multiple peril	9,948,997	10,835,446	0	9,094,694	574,011	11,115,738
6.	Mortgage guaranty	0	0	0	0	0	0
8.	Ocean marine	0	0	0	0	0	0
9.	Inland marine	921,313	815,472	0	764,449	38,010	934,326
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	21,452	19,584	0	18,153	695	22,188
13.	Group accident and health	0	0	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0	0	0
15.	Other accident and health	0	0	0	0	0	0
16.	Workers' compensation	0	1,099,243	0	494,659	0	604,584
17.1	Other liability-occurrence	502,228	648,906	0	349,333	374,838	426,963
17.2	Other liability-claims-made	39,595	(300)	0	(257)	39,865	(313)
17.3	Excess workers' compensation	0	0	0	0	0	0
18.1	Products liability-occurrence	35,501	89,801	0	55,952	964	68,386
18.2	Products liability-claims-made	0	0	0	0	0	0
19.1,19.2	Private passenger auto liability	10,732,886	31,592,159	0	19,044,451	4,042	23,276,552
19.3,19.4	Commercial auto liability	4,136,959	3,202,180	0	3,294,098	18,922	4,026,119
21.	Auto physical damage	11,644,892	28,148,446	0	17,851,152	124,112	21,818,074
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	52,031	34,818	0	38,130	2,116	46,603
27.	Boiler and machinery	475,795	40,820	0	78,927	341,223	96,465
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	0	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	XXX	0	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	XXX	0	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	89,118,562	102,600,038	0	83,583,137	5,978,297	102,157,166
DETAILS OF WRITE-INS							
3401.	.....					
3402.	.....					
3403.	.....					
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 above)	0	0	0	0	0	0

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

If yes: 1. The amount of such installment premiums \$
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire .....	.0	.370,164	.167,075	.203,089	.60,967	.61,399	.202,657	.11.5
2.	Allied lines .....	.2,759	.1,443,115	.652,216	.793,658	.156,311	.213,797	.736,172	.99.7
3.	Farmowners multiple peril	7,074,757	.42,745	.3,545,230	3,572,272	2,334,135	1,172,415	4,733,992	.51.5
4.	Homeowners multiple peril	17,548,986	.8,824,665	.13,478,476	.12,895,175	3,944,799	.3,950,357	.12,889,617	.48.7
5.	Commercial multiple peril	2,935,517	.3,278,542	.3,057,185	3,156,874	4,611,794	.3,470,768	4,297,900	.40.5
6.	Mortgage guaranty .....	.0		.0	.0	.0	.0	.0	.0.0
8.	Ocean marine .....	.0		.0	.0	.0	.0	.0	.0.0
9.	Inland marine	246,867	.248,323	.222,717	.272,473	.8,525	.7,411	.273,587	.31.1
10.	Financial guaranty .....	.0		.0	.0	.0	.0	.0	.0.0
11.1	Medical professional liability-occurrence .....	.0		.0	.0	.0	.0	.0	.0.0
11.2	Medical professional liability-claims-made .....	.0		.0	.0	.0	.0	.0	.0.0
12.	Earthquake .....	.0		.0	.0	.0	.0	.0	.0.0
13.	Group accident and health .....	.0		.0	.0	.0	.0	.0	.0.0
14.	Credit accident and health (group and individual) .....	.0		.0	.0	.0	.0	.0	.0.0
15.	Other accident and health .....	.0		.0	.0	.0	.0	.0	.0.0
16.	Workers' compensation .....	.0	.467,070	.210,182	.256,888	.233,697	.211,413	.279,172	.50.1
17.1	Other liability-occurrence	26,755	.311,475	.152,203	.186,027	.493,485	.451,249	.228,263	.53.7
17.2	Other liability-claims-made .....	.0		.0	.0	.1	.1	.0	.0.0
17.3	Excess workers' compensation .....	.0		.0	.0	.0	.0	.0	.0.0
18.1	Products liability-occurrence .....	.575	.6,000	.2,959	.3,616	.0	.2,751	.865	.1.3
18.2	Products liability-claims-made .....	.0		.0	.0	.0	.0	.0	.0.0
19.1,19.2	Private passenger auto liability	6,720,573	.21,685,998	.12,782,957	.15,623,614	.16,908,992	.17,394,263	.15,138,343	.65.4
19.3,19.4	Commercial auto liability	1,707,906	.1,133,760	.1,278,750	.1,562,916	2,201,972	.1,749,118	.2,015,770	.52.5
21.	Auto physical damage	6,013,137	.17,212,177	.10,465,161	.12,760,153	.1,252,362	.975,994	.13,036,521	.60.0
22.	Aircraft (all perils) .....	.0		.0	.0	.0	.0	.0	.0.0
23.	Fidelity .....	.0		.0	.0	.0	.0	.0	.0.0
24.	Surety .....	.0	.0	.0	.0	.0	.0	.0	.0.0
26.	Burglary and theft .....	.5,489	.30,376	.16,139	.19,726	.0	.0	.19,726	.40.4
27.	Boiler and machinery .....	.69,336	.0	.69,336	.0	.0	.0	.0	.0.0
28.	Credit .....	.0	.0	.0	.0	.0	.0	.0	.0.0
29.	International .....	.0	.0	.0	.0	.0	.0	.0	.0.0
30.	Warranty .....	.0	.0	.0	.0	.0	.0	.0	.0.0
31.	Reinsurance-nonproportional assumed property .....	.XXX	.0	.0	.0	.0	.0	.0	.0.0
32.	Reinsurance-nonproportional assumed liability .....	.XXX	.0	.0	.0	.0	.0	.0	.0.0
33.	Reinsurance-nonproportional assumed financial lines .....	.XXX	.0	.0	.0	.0	.0	.0	.0.0
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0.0
35.	TOTALS	42,352,657	55,054,410	46,100,586	51,306,481	32,207,040	29,660,936	53,852,585	54.1
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	.0	.0	.0	.0	.0	.0	.0	.0.0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire .....	.0	53,951	24,278	29,673	.0	56,898	25,604	60,967	.0
2.	Allied lines .....	.0	142,525	64,136	78,389	.0	141,677	63,755	156,311	73,959
3.	Farmowners multiple peril	3,531,855	10,000	1,596,187	1,945,668	1,470,215	3,391	1,085,139	2,334,135	327,136
4.	Homeowners multiple peril	2,772,646	3,187,739	2,733,725	3,226,660	1,062,264	526,693	870,818	3,944,799	931,427
5.	Commercial multiple peril	1,508,012	3,901,163	2,426,188	2,982,987	701,650	2,501,435	1,574,278	4,611,794	1,671,604
6.	Mortgage guaranty .....	.0	.0	.0	.0	.0			.0	.0
8.	Ocean marine .....	.0	.0	.0	.0	.0			.0	.0
9.	Inland marine	2,500	13,000	6,975	8,525	.0			8,525	.0
10.	Financial guaranty .....	.0			.0	.0			.0	.0
11.1	Medical professional liability-occurrence .....	.0			.0	.0			.0	.0
11.2	Medical professional liability-claims-made .....	.0			.0	.0			.0	.0
12.	Earthquake .....	.0			.0	.0			.0	.0
13.	Group accident and health .....	.0			.0	.0			(a)	.0
14.	Credit accident and health (group and individual) .....	.0			.0	.0			.0	.0
15.	Other accident and health .....	.0			.0	.0			(a)	.0
16.	Workers' compensation .....	.0	123,309	55,489	67,820	.0	301,594	135,717	233,697	58,725
17.1	Other liability-occurrence	16,038	584,775	270,367	330,446	172,649	265,478	275,088	493,485	189,221
17.2	Other liability-claims-made .....	.1		.0	.1	.0			.1	.0
17.3	Excess workers' compensation .....	.0			.0	.0			.0	.0
18.1	Products liability-occurrence .....	.0		.0	.0	.0			.0	.0
18.2	Products liability-claims-made .....	.0			.0	.0			.0	.0
19.1,19.2	Private passenger auto liability	5,992,529	22,030,406	12,610,322	15,412,613	455,829	2,267,507	1,226,957	16,908,992	2,346,528
19.3,19.4	Commercial auto liability	1,766,928	942,338	1,219,170	1,490,096	1,262,166	326,353	876,643	2,201,972	446,252
21.	Auto physical damage	418,478	1,263,064	756,693	924,849	161,264	436,570	270,321	1,252,362	378,068
22.	Aircraft (all perils) .....	.0	.0	.0	.0	.0			.0	.0
23.	Fidelity .....	.0	.0	.0	.0	.0			.0	.0
24.	Surety .....	.0	.0	.0	.0	.0			.0	.0
26.	Burglary and theft .....	.0	.0	.0	.0	.0			.0	.0
27.	Boiler and machinery .....	.0	.0	.0	.0	.0			.0	.0
28.	Credit .....	.0	.0	.0	.0	.0			.0	.0
29.	International .....	.0			.0	.0			.0	.0
30.	Warranty .....	.0	.0	.0	.0	.0			.0	.0
31.	Reinsurance-nonproportional assumed property	XXX	.0	.0	.0	XXX			.0	.0
32.	Reinsurance-nonproportional assumed liability	XXX	.0	.0	.0	XXX			.0	.0
33.	Reinsurance-nonproportional assumed financial lines	XXX	.0	.0	.0	XXX			.0	.0
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS	16,008,987	32,252,270	21,763,530	26,497,727	5,286,037	6,827,596	6,404,320	32,207,040	6,422,920
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	2,682,424			2,682,424
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	47,218			47,218
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	2,635,206	0	0	2,635,206
2. Commission and brokerage:				
2.1 Direct, excluding contingent		16,648,511		16,648,511
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent		418,938		418,938
2.4 Contingent-direct		2,971,729		2,971,729
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded		8,669		8,669
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	19,192,633	0	19,192,633
3. Allowances to manager and agents	94,050	141,075		235,125
4. Advertising	11,739	38,780		50,519
5. Boards, bureaus and associations	64,754	332,035		396,789
6. Surveys and underwriting reports	4,066	1,402,803		1,406,869
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	4,555,723	6,171,236	502,431	11,229,390
8.2 Payroll taxes	311,771	421,601	32,242	765,614
9. Employee relations and welfare	599,172	833,967	48,073	1,481,212
10. Insurance	14,566	23,786	66,288	104,640
11. Directors' fees	57,792	57,792	57,792	173,376
12. Travel and travel items	116,271	227,426	25,837	369,534
13. Rent and rent items	205,350	288,773	15,177	509,300
14. Equipment	58,386	174,463	23,849	256,698
15. Cost or depreciation of EDP equipment and software	641,804	1,113,633	73,260	1,828,697
16. Printing and stationery	38,468	99,654	2,477	140,599
17. Postage, telephone and telegraph, exchange and express	245,689	457,041	10,745	713,475
18. Legal and auditing	441,802	1,180,454	449,136	2,071,392
19. Totals (Lines 3 to 18)	7,461,403	12,964,519	1,307,307	21,733,229
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		1,204,276		1,204,276
20.2 Insurance department licenses and fees		614,705		614,705
20.3 Gross guaranty association assessments		330		330
20.4 All other (excluding federal and foreign income and real estate)		24,728		24,728
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	1,844,039	0	1,844,039
21. Real estate expenses			298,696	298,696
22. Real estate taxes			187,761	187,761
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	6,880	11,232	4,108	22,220
25. Total expenses incurred	10,103,489	34,012,423	1,797,872	(a) 45,913,784
26. Less unpaid expenses-current year	6,422,920	9,907,014	65,514	16,395,448
27. Add unpaid expenses-prior year	6,202,966	6,440,973	73,563	12,717,502
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	9,883,535	30,546,382	1,805,921	42,235,838
DETAILS OF WRITE-INS				
2401. Charitable Contributions.....	6,880	11,232	4,108	22,220
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	6,880	11,232	4,108	22,220

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....544,564	.....534,677
1.1	Bonds exempt from U.S. tax	(a).....994,812	.....1,020,543
1.2	Other bonds (unaffiliated)	(a).....2,352,035	.....2,435,299
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....134,454	.....123,767
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....1,819,212	.....1,838,651
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....512,361	.....512,361
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....2,709	.....5,521
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....489	.....502
10.	Total gross investment income	6,360,636	6,471,321
11.	Investment expenses		(g).....1,797,872
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....251,758
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....2,049,630
17.	Net investment income (Line 10 minus Line 16)		4,421,691
DETAILS OF WRITE-INS			
0901.	Cendant Corp interest income.....		.....13
0902.	TXU Corp interest income.....	.....288	.....288
0903.	Tyco International interest income.....	.....201	.....201
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	489	502
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$114,094 accrual of discount less \$375,142 amortization of premium and less \$121,682 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$512,361 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
(e) Includes \$ accrual of discount less \$12,524 amortization of premium and less \$4,875 paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....4,019		.....4,019	.....51,760	
1.1	Bonds exempt from U.S. tax .....			.....0		
1.2	Other bonds (unaffiliated) .....	.....87,744		.....87,744	.....5,969	
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....(2,370)	.....0	.....(2,370)	.....(77,928)	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....1,365,401	.....(283,300)	.....1,082,101	.....8,122,436	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....36,710	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0		.....0
5.	Contract loans .....			.....0		
6.	Cash, cash equivalents and short-term investments .....			.....0	.....0	.....0
7.	Derivative instruments .....	.....26,711		.....26,711	.....30,367	
8.	Other invested assets .....	.....83,983	.....0	.....83,983	.....25,163	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	1,565,488	(283,300)	1,282,188	8,194,477	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	310,443	273,733	(36,710)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	310,443	273,733	(36,710)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	73,087	35,436	(37,651)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	90,946	90,946
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	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	528,117	646,417	118,300
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	911,647	1,046,532	134,885
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	911,647	1,046,532	134,885
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Lightning Rod Mutual Insurance Company (LRMIC) 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

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

C. Accounting Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method; U.S. Treasury Inflation—Indexed bonds are stated at amortized cost adjusted for unrealized inflation factor gains. Bonds rated at 3 or below by the NAIC are stated at the lower of cost or fair market value.
- (3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) The Company has no mortgage loans.
- (6) The Company has no loan-backed securities.
- (7) The Company carries investments in subsidiaries, Forward Agencies, Inc. and Western Reserve Financial Corporation, at statutory equity as reported on Schedule D; these assets are reported as nonadmitted on page 2, column 2.
- (8) The Company has a minor ownership interest in a partnership. The Company carries this interest at fair market value based upon the underlying audited GAAP equity of the investee.
- (9) All derivatives are stated at fair value.
- (10) The Company does not utilize anticipated investment income in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) Effective July 1, 2013, the Company changed its method of depreciation from Modified Accelerated Cost Recovery System (MACRS) to straight-line as the Company believes the straight-line method would more appropriately allocate the cost over the useful life. The Company also increased the depreciable asset threshold from \$300 to \$1,000.

NOTES TO FINANCIAL STATEMENTS

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 (\$45,121) of \$87,587.

Effective July 1, 2013, the Company changed its method of depreciation from Modified Accelerated Cost Recovery System (MACRS) to straight—line as the Company believes the straight—line method would more appropriately allocate the cost over the useful life. The cumulative effect of this change in accounting principle was recorded as an adjustment to unassigned funds (surplus) in accordance with SSAP No. 3 *Accounting Changes and Errors*. The adjustment decreased surplus by \$34,061. The Company also recorded an adjustment to surplus to correct the book values of assets that should have been fully depreciated. The impact to surplus was a decrease of \$189,471.

In accordance with SSAP No. 3 *Accounting Changes and Errors*, the Company recorded a prior period adjustment to true—up the cost bases of mutual funds for prior year distributions originally reported as return of capital that the fund later reclassified as dividends. The net impact to surplus was an increase of \$55,766.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loans

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.

H. Restricted Assets

Not applicable.

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships, or Limited Liability Companies during the statement periods.

7. Investment Income

The Company has no uncollectible accrued investment income.

8. Derivative Instruments

The Company wrote covered call option contracts on equity securities during 2013 and 2012 as an income generation strategy to enhance the total return of the invested asset portfolio.

Due to the risk of limiting the potential gain resulting from unexpected increases in security prices, the Company limits the written covered call option contracts to no more than 20% of its total equity investments. The covered call options are typically written on underlying equity securities that the Company believes to be over—valued and/or those securities that no longer meet the objectives for which they were originally purchased.

The Company accounts for the derivatives in accordance with SSAP No. 86, *Accounting for Derivative Instruments and Hedging, Income Generation, and Replication (Synthetic Asset) Transactions*.

Premium received on written covered call option contracts is recorded as a deferred liability until expiration. The liability for deferred option income was \$0 and \$21,619 at December 31, 2013 and December 31, 2012, respectively.

Upon exercise, the Company reduces the cost basis of the underlying security by the premium received and recognizes a capital gain (loss). Capital gains on stocks resulting from exercised covered call options were \$30,367 and \$35,474 in 2013 and 2012, respectively.

Open covered call option contracts are recorded as a liability at fair market value with changes in value recorded to unassigned surplus. The fair market value of covered call option liabilities was \$0 and \$21,778 at December 31, 2013 and December 31, 2012, respectively.

9. Income Taxes

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

1.

	12/31/2013		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 8,876,317	\$ 1,210,887	\$ 10,087,204
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	8,876,317	1,210,887	10,087,204
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	8,876,317	1,210,887	10,087,204
(f) Deferred Tax Liabilities	(680,379)	(11,919,966)	(12,600,345)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 8,195,938</u>	<u>\$ (10,709,079)</u>	<u>\$ (2,513,141)</u>

NOTES TO FINANCIAL STATEMENTS

	12/31/2012		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 10,963,410	\$ 1,207,850	\$ 12,171,260
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	10,963,410	1,207,850	12,171,260
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	10,963,410	1,207,850	12,171,260
(f) Deferred Tax Liabilities	(609,740)	(9,133,844)	(9,743,584)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 10,353,670</u>	<u>\$ (7,925,994)</u>	<u>\$ 2,427,676</u>
	Change		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ (2,087,093)	\$ 3,037	\$ (2,084,056)
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(2,087,093)	3,037	(2,084,056)
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	(2,087,093)	3,037	(2,084,056)
(f) Deferred Tax Liabilities	(70,639)	(2,786,122)	(2,856,761)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ (2,157,732)</u>	<u>\$ (2,783,085)</u>	<u>\$ (4,940,817)</u>

2. Admission Calculation Components SSAP No. 101

	12/31/2013		
	(1)	(2)	(3)
	Ordinary	Capital	(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)	3,636,065	—	3,636,065
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	3,636,065	—	3,636,065
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	20,643,975
(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>5,240,252</u>	<u>1,210,887</u>	<u>6,451,139</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 8,876,317</u>	<u>\$ 1,210,887</u>	<u>\$ 10,087,204</u>

NOTES TO FINANCIAL STATEMENTS

12/31/2012		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) 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)		
2,652,974	—	2,652,974
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,652,974	2,652,974
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX 18,879,418
(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.		
9,518,286	—	9,518,286
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))		
\$ 12,171,260	\$ —	\$ 12,171,260
Change		
(7)	(8)	(9)
(Col 1—4) Ordinary	(Col 2—5) Capital	(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)		
983,091	—	983,091
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	983,091	983,091
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX 1,764,557
(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.		
(4,278,034)	1,210,887	(3,067,147)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))		
\$ (3,294,943)	\$ 1,210,887	\$ (2,084,056)
3.		
2013	2012	
(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.		
\$137,626,499	\$122,879,045	
4. Impact of Tax—Planning Strategies		
12/31/2013		
(1)	(2)	
Ordinary	Capital	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 8,876,317	\$ 1,210,887
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 8,876,317	\$ 1,210,887
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%

NOTES TO FINANCIAL STATEMENTS

		12/31/2012		
		(3)	(4)	
		Ordinary	Capital	
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 10,963,410	\$ 1,207,850	
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 10,963,410	\$ 1,207,850	
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
		Change		
		(5)	(6)	
		(Col 1-3)	(Col 2-4)	
		Ordinary	Capital	
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ (2,087,093)	\$ 3,037	
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ (2,087,093)	\$ 3,037	
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
(b)	Does the Company's tax—planning strategies include the use of reinsurance? Yes _____ 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)
		12/31/2013	12/31/2012	(Col 1-2) Change
1.	Current Income Tax			
(a)	Federal	\$ (285,449)	\$ (290,321)	\$ 4,872
(b)	Foreign	\$ —	\$ —	\$ —
(c)	Subtotal	\$ (285,449)	\$ (290,321)	\$ 4,872
(d)	Federal income tax on net capital gains	\$ 435,944	\$ 290,321	\$ 145,623
(e)	Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f)	Other	\$ —	\$ —	\$ —
(g)	Federal and foreign income taxes incurred	\$ 150,495	\$ —	\$ 150,495
2.	Deferred Tax Assets:			
(a)	Ordinary			
(1)	Discounting of unpaid losses	\$ 558,677	\$ 672,097	\$ (113,420)
(2)	Unearned premium reserve	\$ 3,271,620	\$ 3,094,331	\$ 177,289
(3)	Policyholder reserves	\$ —	\$ —	\$ —
(4)	Investments	\$ —	\$ —	\$ —
(5)	Deferred acquisition costs	\$ —	\$ —	\$ —
(6)	Policyholder dividends accrual	\$ —	\$ —	\$ —
(7)	Fixed assets	\$ 179,560	\$ —	\$ 179,560
(8)	Compensation and benefits accrual	\$ 1,160,416	\$ 1,538,173	\$ (377,757)
(9)	Pension accrual	\$ 282,590	\$ 334,661	\$ (52,071)
(10)	Receivables – nonadmitted	\$ 24,850	\$ —	\$ 24,850
(11)	Net operating loss carry—forward	\$ 1,463,548	\$ 3,587,325	\$ (2,123,777)
(12)	Tax credit carry—forward	\$ 481,988	\$ 331,494	\$ 150,494
(13)	Other (including items <5% of total ordinary tax assets):			
(14)	Salvage and subrogation anticipated	\$ 972,144	\$ 1,006,821	\$ (34,677)
(15)	Other	\$ 480,924	\$ 398,508	\$ 82,416
(99)	Subtotal	\$ 8,876,317	\$ 10,963,410	\$ (2,087,093)
(b)	Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c)	Nonadmitted	\$ —	\$ —	\$ —
(d)	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 8,876,317	\$ 10,963,410	\$ (2,087,093)

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2013	12/31/2012	(Col 1—2) Change
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry—forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 1,210,887	\$ 1,207,850	\$ 3,037
(99) Subtotal	\$ 1,210,887	\$ 1,207,850	\$ 3,307
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ 1,210,887	\$ 1,207,850	\$ 3,307
(i) Admitted deferred tax assets (2d + 2h)	\$ 10,087,204	\$ 12,171,260	\$ (2,084,056)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ (502,639)	\$ (483,305)	\$ (19,334)
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities):			
(6) Accumulated amortization software	\$ (177,741)	\$ (126,435)	\$ (51,306)
(99) Subtotal	\$ (680,380)	\$ (609,740)	\$ (70,640)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (11,919,966)	\$ (9,133,844)	\$ (2,786,122)
(99) Subtotal	\$ (11,919,966)	\$ (9,133,844)	\$ (2,786,122)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ (12,600,346)	\$ (9,743,584)	\$ (2,856,762)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ (2,513,142)	\$ 2,427,676	\$ (4,940,818)
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 taxes. Among the more significant book to tax adjustments were the following:			
	12/31/2013	Effective Tax Rate	
Provision computed at statutory rate	\$ 2,992,670	34.0%	
Tax exempt interest	(294,937)	(3.4%)	
Dividends received deduction	(309,906)	(3.5%)	
Change in deferred tax on nonadmitted assets	(204,409)	(2.3%)	
Other	121,772	1.4%	
Total	\$ 2,305,190	26.2%	
Federal and foreign income taxes incurred	\$ (285,449)	(3.2%)	
Tax on capital gains (losses)	435,944	5.0%	
Change in net deferred income taxes	2,154,696	24.5%	
Total statutory income taxes	\$ 2,305,190	26.2%	

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

(1) As of December 31, 2013, the Company had net operating loss carry—forwards available for tax purposes:

Origination Year	Expiration Year	Amount
2010	2030	\$ —
2011	2031	\$ —
2012	2032	\$ 4,304,554
Total		\$ 4,304,554

NOTES TO FINANCIAL STATEMENTS

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

As of December 31, 2013, the Company had alternative minimum tax (AMT) credit carry—forwards in the amount of \$481,988 which do not have an expiration date.

(2) As of December 31, 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 of December 31, 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 December 31, 2013, there were no intercompany balances due to and/or due from 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. The Company (LRMIC) participates in a pooling agreement with Western Reserve Mutual Casualty Company, (WRMCC) and Sonnenberg Mutual Insurance Company (SMIC), whereby net premiums, losses, underwriting expenses and related balance sheet amounts (except premiums receivable) are shared on a 55% / 40% / 5% basis, respectively. LRMIC assumes 100% of the business from WRMCC and SMIC and cedes 40% to WRMCC and 5% to SMIC.
- G. The Company owns 50% of Forward Agencies, Inc., an insurance agency. The stock is carried at \$273,473 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 97, this subsidiary has been non—admitted.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.
- M. The Company owns 55% percent of Western Reserve Financial Corporation, an inactive holding company. The stock is carried at \$36,970 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 97, this subsidiary has been non—admitted.

11. Debt

- A. The Company has not outstanding debentures.
- B. FHLB (Federal Home Loan Bank) Agreements
 - (1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. As of December 31, 2013, the Company has not issued debt to the FHLB in exchange for cash. It is part of the Company’s strategy to utilize these funds for operations, and any funds obtained from the FHLB of Cincinnati for use in general operations would be accounted for consistent with SSAP No. 15, *Debt and Holding Company Obligations* as borrowed money. The table below indicates the amount of FHLB of Cincinnati stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLB of Cincinnati.

	Current Year	Prior year
(2) FHLB stock purchased / owned as part of the agreement	\$ 331,000	\$ —
(3) Collateral pledged to the FHLB	—	—
(4) Borrowing capacity currently available	23,600,922	—
(5) Agreement assets and liabilities		
General account:		
a. Assets	—	—
b. Liabilities	—	—

NOTES TO FINANCIAL STATEMENTS

Separate account:

c. Assets	—	—
d. Liabilities	—	—

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

A. Defined Benefit Plans

The Company has a non—qualified, unfunded, directors’ retirement plan and a retiree healthcare plan both of which are 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 from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of December 31, 2013 and December 31, 2012, amounts held for these deferrals were \$7.9 million and \$10.0 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

E. Defined Contribution Plans

The Company’s employees are eligible to participate in a 401(k) plan sponsored by the Company after completion of three months of continuous service.

The Company matches a portion of employee contributions and may make additional discretionary contributions. The Company’s contribution for the plan was \$697 thousand and \$676 thousand for 2013 and 2012, respectively. At December 31, 2013, the fair value of the plan assets was \$27.1 million.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

I. 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 \$35.1 million.

NOTES TO FINANCIAL STATEMENTS

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

14. Contingencies

A. Contingent Commitments

Not applicable.

B. Assessments

In the ordinary course of business, the Company receives notification of potential assessments as a result of the insolvency of insurance companies. It is expected that the insolvencies will result in a retrospective—based guaranty fund assessment against the company. The liabilities for known potential assessments are not considered material to the financial position of the Company.

C. Gain Contingencies

Not applicable.

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

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation are not considered material to the financial position of the Company.

E. Product Warranties

Not applicable.

F. All Other Contingencies

Not applicable.

15. Leases

The Company's lease agreements are limited to office and electronic data processing equipment. Rent expense for the years ending December 31, 2013 and 2012 was not considered material to the Company's financial statements.

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. ASO Plans

Not applicable.

B. 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 December 31, 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	\$ 1,161,426	\$ —	\$ —	\$ 1,161,426
Total Perpetual Preferred Stocks	1,161,426	—	—	1,161,426
Common Stock:				
Mutual Funds	25,671,937			25,671,937
Industrial and Misc	45,244,715	527,390		45,772,105
Parent, Subsidiaries, and Affiliates	—	—	—	—
Total Common Stocks	70,916,652	527,390	—	71,444,042
Other Invested Assets	—	—	4,785,707	4,785,707
Total assets at fair value	\$ 72,078,078	\$ 527,390	\$ 4,785,707	\$ 77,391,175
b. Liabilities at fair value:				
Not applicable.				

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	\$ 1,886,628	\$ —	\$ —	\$ 1,886,628
Total Perpetual Preferred Stock	1,886,628	—	—	1,886,628
Redeemable Preferred Stock:				
Industrial and Misc	504,067	—	—	504,067
Total Redeemable Preferred Stocks	504,067	—	—	504,067
Bonds:				
Industrial and Misc	1,052,427	—	—	1,052,427
Total Bonds	1,052,427	—	—	1,052,427
Common Stock:				
Mutual Funds	7,515,974			7,515,974
Industrial and Misc	56,884,688	181,600	—	57,066,288
Parent, Subsidiaries, and Affiliates	—	—	—	—
Total Common Stocks	64,400,662	181,600	—	64,582,262
Other Invested Assets	—	—	5,153,791	5,153,791
Total assets at fair value	\$ 67,843,784	\$ 181,600	\$ 5,153,791	\$ 69,736,053

NOTES TO FINANCIAL STATEMENTS

b. Liabilities at fair value:				
Derivative liabilities	21,778	—	—	21,778
Total liabilities at fair value	\$ 21,778	\$ —	\$ —	\$ 21,778

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

	Beginning Balance at 01/01/2013	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases/ Issuances/ (Sales/ Settlements)	Ending Balance at 12/31/2013
a. Assets:						
Other Invested Assets	5,153,791	—	83,983	25,163	(477,230)	4,785,707
Total Assets	\$ 5,153,791	\$ —	\$ 83,983	\$ 25,163	\$ (477,230)	\$ 4,785,707
b. 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 December 31, 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.

- B. Not applicable.
- C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 120,348,213	\$ 117,229,921	\$ —	\$ 120,348,213	\$ —	\$ —
Perpetual Preferred Stock	1,161,426	1,161,426	1,161,426	—	—	—
Common Stock	71,444,042	71,444,042	70,916,652	527,390	—	—
Other Invested Assets	4,785,707	4,785,707	—	—	4,785,707	—

- D. The Company has no assets for which it was not practicable to estimate fair value.

21. Other Items

- A. Extraordinary Items
Not applicable.
- B. Troubled Debt Restructuring: Debtors
Not applicable.
- C. Other Disclosures and Unusual Items
Not applicable.
- D. Business Interruption Insurance Recoveries
Not applicable.
- E. State Transferable and Non—transferable Tax Credits
Not applicable.
- F. Subprime Mortgage Related Risk Exposure
Not applicable.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 28, 2014 for the statutory statement issued on March 1, 2014 for the year ending December 31, 2013. No Type I events were identified that would have a material effect on the financial condition of the Company.

NOTES TO FINANCIAL STATEMENTS

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 28, 2014 for the statutory statement issued on March 1, 2014 for the year ending December 31, 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

If the Company cancelled its umbrella reinsurance program, the return commission would not have a material impact on the financial condition of the Company.

D. Uncollectible Reinsurance

In 2008, the Company recorded a provision for reinsurance of \$293 thousand for catastrophe losses recoverable net of reinstatement premiums due to the Lehman Re bankruptcy. Final bankruptcy settlement was received in 2013, the provision for reinsurance was reversed, and final balances were written off as displayed below.

(1) The Company has written off in the current year reinsurance balances due (from the companies below) in the amount of \$103,198, which is reflected as:

a. Losses incurred	\$	89,044
b. Loss adjustment expenses incurred	\$	—
c. Premiums earned	\$	14,154
d. Other	\$	—
e. <u>Company</u>		<u>Amount</u>
Lehman Re	\$	103,198

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.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

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 \$35.9 million. In calendar year 2013, \$16.9 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 claims adjusting expenses for personal auto liability, homeowners and farmowners, commercial multi—peril and auto physical damage lines of insurance. These decreases were offset, in part, by increases in workers compensation, commercial auto liability, and other liability lines of insurance. Therefore, there has been a \$2.4 million favorable prior year development from December 31, 2012 to December 31, 2013. The re—estimation 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.

NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Agreements

A.	NAIC No.	Pool Share
Lightning Rod Mutual Insurance Company (Lead)	26123	55.0%
Western Reserve Mutual Casualty Company	26131	40.0%
Sonnenberg Mutual Insurance Company	10271	5.0%
B. All transactions and balances in the underwriting accounts of the companies are pooled except premiums in the course of collection.		
C. All lines of business are subject to the intercompany pooling agreement. Cessions to non—affiliated reinsurers are prior to the cession of pooled business from the affiliated pool members to the lead entity.		
D. All pool members are subject to the same non—affiliated reinsurance treaties and have the contractual right of direct recovery per the terms of the reinsurance agreement.		
E. There are no discrepancies between the reinsurance schedules of the lead and other members of the pool.		
F. The Provision for Reinsurance (Schedule F, Part 7) and the write—off of uncollectible reinsurance is in accordance with the pool participation percentages.		
G. There were no amounts due to/from the lead entity and affiliated entities participating in the intercompany pool as of December 31, 2013.		

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$	—
2. Date of most recent evaluation of this liability		12/31/2013
3. Was anticipated investment income utilized in the calculation?	Yes ()	No (x)

31. High Deductibles

Not applicable.

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

The Company does not discount liabilities for unpaid losses nor unpaid loss adjustment expenses in calculating statutory surplus.

33. Asbestos/Environmental Reserves

- A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes () No (x)
- B. Not applicable.
- C. Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
(1) Direct –					
a. Beginning reserves:	\$ —	\$ 14	\$ 14	\$ 14	\$ 41
b. Incurred losses and loss adjustment expense:	29	62	27	39	95
c. Calendar year payments for losses and loss adjustment expenses:	<u>15</u>	<u>62</u>	<u>27</u>	<u>12</u>	<u>50</u>
d. Ending reserves:	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 41</u>	<u>\$ 86</u>
(2) Assumed Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(3) Net of Ceded Reinsurance –					
a. Beginning reserves:	\$ —	\$ 14	\$ 14	\$ 14	\$ 14
b. Incurred losses and loss adjustment expense:	29	62	27	39	55
c. Calendar year payments for loss and loss adjustment expenses:	<u>15</u>	<u>62</u>	<u>27</u>	<u>12</u>	<u>10</u>
d. Ending reserves:	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 41</u>	<u>\$ 86</u>

The Company’s exposure to environmental losses arises from the sale of general liability insurance. The Company estimates the full impact of the environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience. The Company’s estimate of the environmental related losses for each of the five most recent years after intercompany pooling are displayed above .

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

(1) Direct Basis:	\$ —
(2) Assumed Reinsurance Basis:	\$ —
(3) Net of Ceded Reinsurance Basis:	\$ —

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

(1) Direct Basis:	\$ —
(2) Assumed Reinsurance Basis:	\$ —
(3) Net of Ceded Reinsurance Basis:	\$ —

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☐ No ☐ N/A ☒
- 1.3

State Regulating?

Ohio.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☒ No ☐
- 2.2

If yes, date of change:

.....06/26/2013
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2011
- 3.2

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

.....12/31/2011
- 3.3

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

.....11/26/2012
- 3.4

By what department or departments? Ohio.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

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

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

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG 191 West Nationwide Blvd. Columbus, Ohio 43215-2568.....
10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
10.2 If the response to 10.1 is yes, provide information related to this exemption:
10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
10.4 If the response to 10.3 is yes, provide information related to this exemption:
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
William D. Hansen, FCAS, MAAA, Oliver Wyman, 325 John H. McConnell Blvd. Suite 350, Columbus, Ohio 43215.....
12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
12.11 Name of real estate holding company
12.12 Number of parcels involved
12.13 Total book/adjusted carrying value \$.....
12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
14.21 If the response to 14.2 is yes, provide information related to amendment(s)
Amended to include reporting protocol for ethics hotline.....
14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....0
- 20.12 To stockholders not officers \$.....0
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....0
- 20.22 To stockholders not officers \$.....0
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....0
- 21.22 Borrowed from others \$.....0
- 21.23 Leased from others \$.....0
- 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....0
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto
- The Company has custodial agreements with Merrill Lynch, Columbus, Ohio and FirstMerit, Akron, Ohio.....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.103 Total payable for securities lending reported on the liability page \$.....0

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....1,598,375
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$.....

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

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

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

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

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

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

29.2 If yes, complete the following schedule:

Yes [X] No []

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2001. 00080Y-72-8.....	Aston/Lake Partners Lasso Alt.....	714,237
29.2002. 03875R-20-5.....	Arbitrage Funds CL1.....	265,152
29.2003. 04315J-86-0.....	Aberdeen Global High Income Fund.....	865,005
29.2004. 25264S-83-3.....	Diamond Hill Long Short Fd Cl 1.....	562,034
29.2005. 258620-10-3.....	Doubline Total Rtn Bond Fund CL 1.....	271,487
29.2006. 277911-49-1.....	Eaton Vance Floating Rate Fnd CL 1.....	742,547
29.2007. 413838-20-2.....	The Oakmark International Fund.....	97,590
29.2008. 45070A-40-4.....	IVA International Fund Cl I.....	2,040,222
29.2009. 464287-46-5.....	iShares MSCI EAFE Index ETF.....	1,013,135
29.2010. 464287-65-5.....	iShares Trust Russell 2000 Index.....	132,664
29.2011. 52106N-88-9.....	Lazard Emerging Mkts Eqty PTFL CL.....	489,143
29.2012. 543495-78-2.....	Loomis Sayles Gbl Bond Fnd.....	827,952
29.2013. 577125-10-7.....	Matthews Asia Dividend Fund.....	985,427
29.2014. 577130-20-6.....	Matthews Asian Growth and Inc Fnd.....	530,581
29.2015. 72201M-45-3.....	PIMCO Unconstrained Bond Fund CL P.....	296,905
29.2016. 72201M-73-5.....	PIMCO High Yield Fd CL P.....	1,632,233
29.2017. 746476-40-7.....	Putnam Cnvtbl Inc Grwth Tr Y.....	1,512,036
29.2018. 76882K-70-2.....	RiverPark ST High Yield Fund Inst'l.....	825,551
29.2019. 780905-60-0.....	Royce Premier Fund.....	1,673,891
29.2020. 880208-40-0.....	Templeton Global Bond Fnd ADV CL.....	859,184
29.2021. 880208-85-5.....	Templeton Global Total Return Fund.....	281,117
29.2022. 885215-56-6.....	Thornburg International Fund Cl I.....	1,832,375
29.2023. 921937-82-7.....	Vanguard S/T Bond ETF.....	1,276,842
29.2024. 922023-10-6.....	Vanguard Convertible Sec Fund.....	390,162
29.2999 TOTAL		20,117,469

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Aston/Lake Partners Lasso Alt.....	Weitz Partners III Opportunity Instl.....	427,614	12/31/2013.....
Arbitrage Funds CL1.....	Life Technologies Corp.....	48,284	12/31/2013.....
Aberdeen Global High Income Fund.....	S60102890 Cds Usd R F 5.0 Cdx.Hy.S20.....	36,417	12/31/2013.....
Diamond Hill Long Short Fd Cl 1.....	American International Group Inc.....	75,481	12/31/2013.....
Doubline Total Rtn Bond Fund CL 1.....	US Treasury Note 1.625%.....	26,117	12/31/2013.....
Eaton Vance Floating Rate Fnd CL I.....	Dell International Floating Coupon Mat 04/29/2020.....	31,558	12/31/2013.....
The Oakmark International Fund.....	Credit Suisse Group.....	18,093	12/31/2013.....
IVA International Fund Cl I.....	Nestle SA.....	308,278	12/31/2013.....
iShares MSCI EAFE Index ETF.....	Nestle SA.....	77,403	12/31/2013.....
iShares Trust Russell 2000 Index.....	AthenaHealth, Inc.....	2,308	12/31/2013.....
Lazard Emerging Mkts Eqty PTFL CL.....	Sberbank of Russia.....	81,785	12/31/2013.....
Loomis Sayles Gbl Bond Fnd.....	Japan (Govt Of) 1.3%.....	139,262	12/31/2013.....
Matthews Asia Dividend Fund.....	Orix Corporation.....	202,012	12/31/2013.....
Matthews Asian Growth and Inc Fnd.....	Singapore Technologies Engineering Ltd.....	80,489	12/31/2013.....
PIMCO Unconstrained Bond Fund CL P.....	US Treasury Note 0.25%.....	27,612	12/31/2013.....
PIMCO High Yield Fd CL P.....	Cdx Hy20 5y Bp Ice.....	52,721	12/31/2013.....
Putnam Cnvtbl Inc Grwth Tr Y.....	Gilead Sciences Cv 1.625%.....	177,967	12/31/2013.....
RiverPark ST High Yield Fund Inst'l.....	Epe Hldgs LLCc/Ep Eny Bondco 144A 8.125%.....	199,618	12/31/2013.....
Royce Premier Fund.....	Thor Industries, Inc.....	238,530	12/31/2013.....
Templeton Global Bond Fnd ADV CL.....	Ireland (Republic Of) 5%.....	103,102	12/31/2013.....
Templeton Global Total Return Fund.....	Korea (Republic Of) 2.75%.....	38,625	12/31/2013.....
Thornburg International Fund Cl I.....	Mitsubishi UFJ Financial Group, Inc.....	245,722	12/31/2013.....
Vanguard S/T Bond ETF.....	US Treasury Note 0.25%.....	106,361	12/31/2013.....
Vanguard Convertible Sec Fund.....	Priceline Com 144A Cv 0.35%.....	32,461	12/31/2013.....

GENERAL INTERROGATORIES

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	120,154,221	123,353,959	3,199,738
30.2 Preferred Stocks.....	1,161,426	1,161,426	0
30.3 Totals	121,315,647	124,515,385	3,199,738

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

Fair values are determined using price information provided by FT Interactive Data (online pricing service).....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Prices are provided by FT Interactive Data (online pricing service).....

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$396,789
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office.....	\$.....258,083

- 34.1 Amount of payments for legal expenses, if any? \$34,631
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Gordon and Rees, LLP.....	\$.....8,658

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....
.....	

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only \$.....0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....

1.31 Reason for excluding
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$.....0

1.62 Total incurred claims \$.....0

1.63 Number of covered lives0

All years prior to most current three years:

1.64 Total premium earned \$.....0

1.65 Total incurred claims \$.....0

1.66 Number of covered lives0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$.....0

1.72 Total incurred claims \$.....0

1.73 Number of covered lives0

All years prior to most current three years:

1.74 Total premium earned \$.....0

1.75 Total incurred claims \$.....0

1.76 Number of covered lives0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....0
2.2	Premium Denominator	\$99,549,970	\$	.....92,372,982
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$86,742,020	\$	.....81,368,766
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

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

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

3.21 Participating policies..... \$.....

3.22 Non-participating policies..... \$.....

4. For Mutual reporting entities and Reciprocal Exchanges only:

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

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

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

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

5. For Reciprocal Exchanges Only:

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

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A []

5.22 As a direct expense of the exchange..... Yes [] No [] N/A []

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- | | | | |
|-----|---|-----|--|
| 6.1 | What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
In addition to the excess of loss liability that provides coverage up to \$5 million, the Company purchased an additional \$5 million workers compensation excess of loss contract. The Company also avoids insuring risks with a large number of employees and high-risk classes. | | |
| 6.2 | Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
The Company utilizes catastrophe modeling analysis provided by its reinsurance broker to measure probable maximum loss impact on surplus for a 100-year severe thunderstorm event (\$15.2 million) and a 250-year earthquake event (\$2.7 million). | | |
| 6.3 | What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
In 2013, the Company purchased catastrophe excess of loss reinsurance of \$56.5 million excess \$8.5 million with 5% participation. The limit purchased is approximately a 400-year severe thunderstorm event. | | |
| 6.4 | Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? | Yes | <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| 6.5 | If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss | | |
| 7.1 | Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? | Yes | <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 7.2 | If yes, indicate the number of reinsurance contracts containing such provisions. | | |
| 7.3 | If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? | Yes | <input type="checkbox"/> No <input type="checkbox"/> |
| 8.1 | Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? | Yes | <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 8.2 | If yes, give full information | | |
| 9.1 | Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. | Yes | <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 9.2 | Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. | Yes | <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 9.3 | If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved. | | |
| 9.4 | Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? | Yes | <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 9.5 | If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP. | | |
| 9.6 | The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. | Yes | <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 10. | If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? | Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes [] No [X]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?

\$0

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [] No [X] N/A []

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

If yes, state the amount thereof at December 31 of current year:

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$1,000,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

10

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [] No [X]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$	\$	\$	\$	\$
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$.....
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2013	2 2012	3 2011	4 2010	5 2009
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	52,079,158	51,093,555	49,400,034	46,643,191	44,209,006
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	46,288,832	45,188,018	42,569,661	42,054,369	39,775,070
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	93,350,610	84,926,928	76,783,464	70,203,042	64,519,479
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	191,718,600	181,208,501	168,753,159	158,900,602	148,503,555
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	28,402,291	27,847,811	26,907,098	25,327,537	24,023,478
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	25,366,059	24,729,228	23,184,495	22,998,557	21,762,551
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	48,388,816	43,481,484	39,888,155	37,379,891	33,897,878
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	102,157,166	96,058,523	89,979,748	85,705,985	79,683,907
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	1,581,473	(11,937,661)	(8,443,563)	(6,039,778)	(5,932,026)
14. Net investment gain (loss) (Line 11)	5,267,935	5,261,200	6,259,982	5,750,815	5,500,135
15. Total other income (Line 15)	1,516,619	1,408,050	1,411,101	1,143,042	1,175,950
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(285,449)	(290,321)	(791,670)	(457,141)	(1,577,090)
18. Net income (Line 20)	8,651,476	(4,978,090)	19,190	1,311,220	2,321,149
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	242,634,650	220,646,584	213,957,590	211,362,551	204,073,046
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	15,848,055	15,885,706	15,876,790	14,317,498	13,514,390
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	105,008,151	95,339,863	88,253,398	85,066,895	81,469,321
22. Losses (Page 3, Line 1)	32,207,040	29,660,936	27,902,250	24,518,708	24,972,029
23. Loss adjustment expenses (Page 3, Line 3)	6,422,920	6,202,966	5,450,500	5,450,500	5,450,500
24. Unearned premiums (Page 3, Line 9)	48,112,060	45,504,864	41,819,323	38,574,174	35,624,577
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	137,626,499	125,306,721	125,704,192	126,295,656	122,603,725
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	16,838,740	1,439,575	1,511,138	2,575,682	3,611,597
Risk-Based Capital Analysis					
28. Total adjusted capital	137,626,499	125,306,721	125,704,192	126,295,656	122,603,725
29. Authorized control level risk-based capital	11,208,882	10,347,677	9,769,946	9,948,606	9,291,038
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	52.3	51.3	53.3	53.3	55.3
31. Stocks (Lines 2.1 & 2.2)	32.4	33.6	31.0	32.0	29.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.5	2.9	3.1	3.2	3.4
34. Cash, cash equivalents and short-term investments (Line 5)	10.7	9.6	10.0	8.7	9.6
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	XXX
37. Other invested assets (Line 8)	2.1	2.6	2.6	2.7	2.6
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	XXX
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	310,443	273,733	263,165	268,119	255,793
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	310,443	273,733	263,165	268,119	255,793
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.2	0.2	0.2	0.2	0.2

FIVE-YEAR HISTORICAL DATA

(Continued)					
	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	5,408,355	2,302,508	(1,567,400)	2,410,821	3,889,928
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	12,319,778	(397,471)	(591,464)	3,691,931	5,832,901
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	32,060,112	32,160,930	27,624,482	27,008,890	27,226,041
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	25,572,407	26,338,401	25,810,248	23,400,302	21,473,946
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	39,774,548	63,384,725	55,973,446	42,421,756	41,684,124
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	97,407,067	121,884,056	109,408,176	92,830,948	90,384,111
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	17,633,061	17,688,512	15,193,466	14,848,859	14,296,997
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	14,049,099	14,219,862	13,787,944	12,870,167	11,738,277
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	19,624,321	29,102,992	24,248,590	22,931,324	19,962,666
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	51,306,481	61,011,366	53,230,000	50,650,350	45,997,940
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	54.1	68.0	65.3	60.7	60.4
68. Loss expenses incurred (Line 3)	10.1	10.7	9.3	9.8	10.4
69. Other underwriting expenses incurred (Line 4)	34.2	34.3	35.1	36.8	36.8
70. Net underwriting gain (loss) (Line 8)	1.6	(12.9)	(9.7)	(7.3)	(7.6)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	31.8	31.5	32.3	34.2	34.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	64.2	78.6	74.6	70.5	70.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	74.2	76.7	71.6	67.9	65.0
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(2,888)	(804)	(2,552)	(3,150)	(2,327)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(2.3)	(0.6)	(2.0)	(2.6)	(2.0)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(1,946)	(2,920)	(4,038)	(5,124)	(4,600)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(1.5)	(2.3)	(3.3)	(4.4)	(3.5)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, *Accounting Changes and Correction of Errors*? Yes [] No []

If no, please explain

.....

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(17)	0	6	0	6	0	21	(5)	XXX
2. 2004	84,792	5,526	79,266	48,080	4,653	1,040	105	5,108	18	2,685	49,452	XXX
3. 2005	84,145	5,292	78,853	38,931	2,622	910	185	4,915	19	1,955	41,930	XXX
4. 2006	82,466	5,346	77,120	49,202	6,593	1,249	78	6,348	33	2,142	50,095	XXX
5. 2007	81,264	3,965	77,299	47,392	3,236	1,249	177	6,602	32	2,394	51,798	XXX
6. 2008	81,186	4,153	77,033	56,069	8,736	1,589	0	7,723	0	2,180	56,645	XXX
7. 2009	82,075	4,269	77,806	49,511	1,997	1,056	0	5,763	0	2,203	54,333	XXX
8. 2010	86,814	4,058	82,756	50,707	361	933	7	6,339	4	2,624	57,607	XXX
9. 2011	92,817	6,085	86,732	67,643	13,243	678	0	7,121	4	2,839	62,195	XXX
10. 2012	99,818	7,447	92,371	63,894	10,036	357	0	8,086	0	2,176	62,301	XXX
11. 2013	106,199	6,650	99,549	37,639	44	85	0	6,685	0	1,362	44,365	XXX
12. Totals	XXX	XXX	XXX	509,051	51,521	9,152	552	64,696	110	22,581	530,716	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1.	73	0	0	0	0	0	0	0	0	0	0	73	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	14	0	0	0	0	0	0	0	1	0	0	15	XXX
4.	254	0	0	0	4	0	2	0	11	2	0	269	XXX
5.	169	0	2	2	9	1	4	5	20	2	0	194	XXX
6.	557	107	29	13	37	0	15	6	68	12	0	568	XXX
7.	354	0	96	81	75	3	31	15	128	27	0	558	XXX
8.	1,478	1	334	225	173	3	67	15	285	49	0	2,044	XXX
9.	2,719	0	556	267	308	9	149	41	572	125	0	3,862	XXX
10.	6,998	78	939	387	527	2	216	16	1,038	201	0	9,034	XXX
11.	14,080	7	6,027	1,303	1,187	7	384	32	2,023	339	0	22,013	XXX
12.	26,696	193	7,983	2,278	2,320	25	868	130	4,146	757	0	38,630	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	73	0
2.	54,228	4,776	49,452	64.0	86.4	62.4	0	0	55.0	0	0
3.	44,771	2,826	41,945	53.2	53.4	53.2	0	0	55.0	14	1
4.	57,070	6,706	50,364	69.2	125.4	65.3	0	0	55.0	254	15
5.	55,447	3,455	51,992	68.2	87.1	67.3	0	0	55.0	169	25
6.	66,087	8,874	57,213	81.4	213.7	74.3	0	0	55.0	466	102
7.	57,014	2,123	54,891	69.5	49.7	70.5	0	0	55.0	369	189
8.	60,316	665	59,651	69.5	16.4	72.1	0	0	55.0	1,586	458
9.	79,746	13,689	66,057	85.9	225.0	76.2	0	0	55.0	3,008	854
10.	82,055	10,720	71,335	82.2	144.0	77.2	0	0	55.0	7,472	1,562
11.	68,110	1,732	66,378	64.1	26.0	66.7	0	0	55.0	18,797	3,216
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	32,208	6,422

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior	14,935	10,883	10,036	9,586	9,217	8,894	8,728	8,632	8,629	8,604	(25)	(28)
2. 2004	50,893	47,045	45,557	44,933	44,531	44,378	44,413	44,378	44,366	44,362	(4)	(16)
3. 2005	XXX	40,381	38,258	37,832	37,371	37,340	37,083	37,057	37,075	37,048	(27)	(9)
4. 2006	XXX	XXX	45,107	45,370	44,551	44,237	44,069	43,995	44,035	44,040	5	45
5. 2007	XXX	XXX	XXX	47,593	47,379	45,865	45,102	45,100	45,164	45,404	240	304
6. 2008	XXX	XXX	XXX	XXX	50,928	50,936	49,458	49,157	49,552	49,434	(118)	277
7. 2009	XXX	XXX	XXX	XXX	XXX	50,332	49,979	49,625	49,230	49,027	(203)	(598)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	54,800	53,136	52,661	53,080	419	(56)
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	60,358	59,922	58,493	(1,429)	(1,865)
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,158	62,412	(1,746)	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,009	XXX	XXX
12. Totals											(2,888)	(1,946)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior	000	4,902	7,087	8,132	8,409	8,522	8,557	8,525	8,542	8,531	XXX	XXX
2. 2004	31,364	40,558	42,735	43,575	43,922	44,209	44,246	44,239	44,365	44,362	XXX	XXX
3. 2005	XXX	25,845	33,223	35,566	36,368	36,884	37,029	37,018	37,033	37,034	XXX	XXX
4. 2006	XXX	XXX	30,167	39,323	41,468	42,910	43,408	43,649	43,747	43,780	XXX	XXX
5. 2007	XXX	XXX	XXX	31,474	40,156	42,152	43,749	44,314	45,058	45,228	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	35,877	44,534	46,951	48,173	49,191	48,922	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	33,992	43,947	46,628	48,197	48,570	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	37,422	46,244	49,815	51,272	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,944	51,679	55,078	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	44,440	54,215	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,680	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior	2,182	690	364	220	103	10	0	1	0	0
2. 2004	6,103	1,046	516	102	91	13	0	2	0	0
3. 2005	XXX	4,872	512	332	40	28	0	3	2	0
4. 2006	XXX	XXX	4,201	425	167	97	28	14	33	2
5. 2007	XXX	XXX	XXX	4,501	285	250	47	25	2	(1)
6. 2008	XXX	XXX	XXX	XXX	3,941	572	202	38	23	25
7. 2009	XXX	XXX	XXX	XXX	XXX	4,125	287	246	23	31
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	4,629	532	78	161
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,395	697	397
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,249	752
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,076

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories										
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9	
		2	3							
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)	
1. Alabama	AL	N	.0	.0	.0	.0	.0	.0	.0	
2. Alaska	AK	N	.0	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ	N	.0	.0	.0	.0	.0	.0	.0	
4. Arkansas	AR	N	.0	.0	.0	.0	.0	.0	.0	
5. California	CA	N	.0	.0	.0	.0	.0	.0	.0	
6. Colorado	CO	N	.0	.0	.0	.0	.0	.0	.0	
7. Connecticut	CT	N	.0	.0	.0	.0	.0	.0	.0	
8. Delaware	DE	N	.0	.0	.0	.0	.0	.0	.0	
9. Dist. Columbia	DC	N	.0	.0	.0	.0	.0	.0	.0	
10. Florida	FL	N	.0	.0	.0	.0	.0	.0	.0	
11. Georgia	GA	N	.0	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI	N	.0	.0	.0	.0	.0	.0	.0	
13. Idaho	ID	N	.0	.0	.0	.0	.0	.0	.0	
14. Illinois	IL	L	.0	.0	.0	.0	.0	.0	.0	
15. Indiana	IN	L	26,046,878	25,240,286	.0	14,780,588	12,862,780	6,388,097	250,937	
16. Iowa	IA	N	.0	.0	.0	.0	.0	.0	.0	
17. Kansas	KS	N	.0	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY	N	.0	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA	N	.0	.0	.0	.0	.0	.0	.0	
20. Maine	ME	N	.0	.0	.0	.0	.0	.0	.0	
21. Maryland	MD	N	.0	.0	.0	.0	.0	.0	.0	
22. Massachusetts	MA	N	.0	.0	.0	.0	.0	.0	.0	
23. Michigan	MI	N	.0	.0	.0	.0	.0	.0	.0	
24. Minnesota	MN	N	.0	.0	.0	.0	.0	.0	.0	
25. Mississippi	MS	N	.0	.0	.0	.0	.0	.0	.0	
26. Missouri	MO	N	.0	.0	.0	.0	.0	.0	.0	
27. Montana	MT	N	.0	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE	N	.0	.0	.0	.0	.0	.0	.0	
29. Nevada	NV	N	.0	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH	N	.0	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ	N	.0	.0	.0	.0	.0	.0	.0	
32. New Mexico	NM	N	.0	.0	.0	.0	.0	.0	.0	
33. New York	NY	N	.0	.0	.0	.0	.0	.0	.0	
34. No. Carolina	NC	N	.0	.0	.0	.0	.0	.0	.0	
35. No. Dakota	ND	N	.0	.0	.0	.0	.0	.0	.0	
36. Ohio	OH	L	63,071,684	61,341,741	.0	27,572,069	24,694,296	14,906,927	753,086	
37. Oklahoma	OK	N	.0	.0	.0	.0	.0	.0	.0	
38. Oregon	OR	N	.0	.0	.0	.0	.0	.0	.0	
39. Pennsylvania	PA	N	.0	.0	.0	.0	.0	.0	.0	
40. Rhode Island	RI	N	.0	.0	.0	.0	.0	.0	.0	
41. So. Carolina	SC	N	.0	.0	.0	.0	.0	.0	.0	
42. So. Dakota	SD	N	.0	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN	L	.0	.0	.0	.0	.0	.0	.0	
44. Texas	TX	N	.0	.0	.0	.0	.0	.0	.0	
45. Utah	UT	N	.0	.0	.0	.0	.0	.0	.0	
46. Vermont	VT	N	.0	.0	.0	.0	.0	.0	.0	
47. Virginia	VA	N	.0	.0	.0	.0	.0	.0	.0	
48. Washington	WA	N	.0	.0	.0	.0	.0	.0	.0	
49. West Virginia	WV	N	.0	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI	N	.0	.0	.0	.0	.0	.0	.0	
51. Wyoming	WY	N	.0	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS	N	.0	.0	.0	.0	.0	.0	.0	
53. Guam	GU	N	.0	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR	N	.0	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI	N	.0	.0	.0	.0	.0	.0	.0	
56. Northern Mariana Islands	MP	N	.0	.0	.0	.0	.0	.0	.0	
57. Canada	CAN	N	.0	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Totals	(a) 4		89,118,562	86,582,027	.0	42,352,657	37,557,076	21,295,024	1,004,023	.0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	.0	.0	.0	.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.

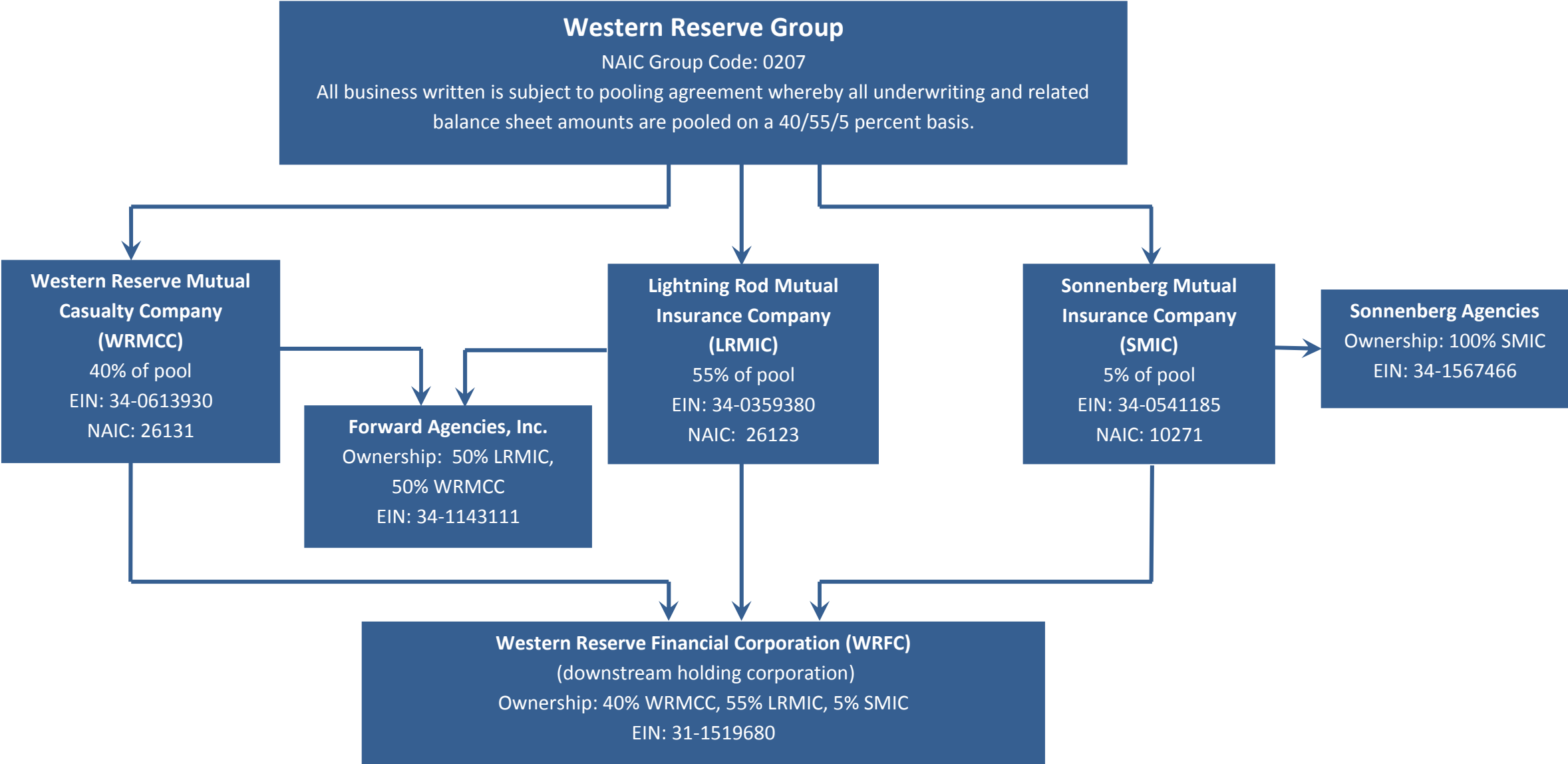
Explanation of basis of allocation of premiums by states, etc.

Actual direct written premium and earned premium by state are assigned by address of policyholder for all lines of business.

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

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

PART 1 – ORGANIZATIONAL CHART



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