



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
For the Year Ended December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

WESTERN RESERVE MUTUAL CASUALTY COMPANY

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

OFFICERS

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

OTHER OFFICERS

OFFICERS
VICE PRESIDENT-CHIEF
MARKETING & UNDERWRITING
OFFICER
VICE PRESIDENT-CHIEF
INFORMATION OFFICER
VICE PRESIDENT-CHIEF CLAIMS
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 of OHIO
County of WAYNE
S.

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 MICHAEL A. SHUTT
PRESIDENT AND SECRETARY -CHIEF VICE PRESIDENT AND TREASURER -CHIEF
EXECUTIVE OFFICER FINANCIAL OFFICER

a. Is this an original filing? Yes No

Subscribed and sworn to before me
this 25 day of February, 2014

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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	91,077,665		91,077,665	80,202,838
2. Stocks (Schedule D):				
2.1 Preferred stocks	807,128		807,128	1,642,768
2.2 Common stocks	50,860,337	300,361	50,559,976	45,993,165
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 (less \$ encumbrances).....	7,560,162		7,560,162	7,790,881
4.2 Properties held for the production of income (less \$ encumbrances).....			0	0
4.3 Properties held for sale (less \$ encumbrances).....			0	0
5. Cash (\$ (8,036,233) , Schedule E-Part 1), cash equivalents (\$ 0 , Schedule E-Part 2) and short-term investments (\$ 2,397,729 , Schedule DA).....	(5,638,504)		(5,638,504)	(6,939,263)
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA).....	5,683,588	2,203,105	3,480,483	3,748,180
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	150,350,376	2,503,466	147,846,910	132,438,569
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	916,972		916,972	843,133
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	27,147,810	180,836	26,966,974	25,001,501
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....	0		0	0
15.3 Accrued retrospective premiums.....	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	30,525		30,525	1,227,694
16.2 Funds held by or deposited with reinsured companies	0		0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	1,157,056		1,157,056	0
18.2 Net deferred tax asset.....	0		0	1,598,838
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software.....	1,668,145	746,593	921,552	411,696
21. Furniture and equipment, including health care delivery assets (\$)	109,913	109,913	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	249,761
24. Health care (\$) and other amounts receivable.....	0		0	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).....	181,380,797	3,540,808	177,839,989	161,771,192
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0		0	0
28. Total (Lines 26 and 27).....	181,380,797	3,540,808	177,839,989	161,771,192
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	23,423,302	21,571,591
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	4,671,215	4,511,248
4. Commissions payable, contingent commissions and other similar charges	3,165,026	2,024,623
5. Other expenses (excluding taxes, licenses and fees)	3,182,130	1,838,266
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	923,460	895,017
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	75
7.2 Net deferred tax liability	975,812	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 \$ 1,125,288 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	34,990,589	33,094,446
10. Advance premium	553,301	479,575
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	384,801	568,620
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	3,265,868	4,063,002
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	0	213,119
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	515,312	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	167,685	29,791
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	76,218,501	69,289,373
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	76,218,501	69,289,373
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	101,621,488	92,481,819
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	101,621,488	92,481,819
38. Totals (Page 2, Line 28, Col. 3)	177,839,989	161,771,192
DETAILS OF WRITE-INS		
2501. Option Liability	0	14,748
2502. Deferred Option Income	0	15,043
2503. Accrued Capital Expenses	167,685	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	167,685	29,791
2901. Surplus from SSAP No. 10R		0
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	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	72,399,979	67,180,348
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	39,165,517	45,650,948
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	7,347,992	7,176,988
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	24,736,412	23,034,352
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	71,249,921	75,862,288
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	1,150,058	(8,681,940)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,501,348	3,811,679
10. Net realized capital gains (losses) less capital gains tax of \$ 320,120 (Exhibit of Capital Gains (Losses))	621,410	397,897
11. Net investment gain (loss) (Lines 9 + 10)	4,122,758	4,209,576
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ charged off \$ 71,563)	amount (71,563)	(66,107)
13. Finance and service charges not included in premiums	1,186,300	1,113,607
14. Aggregate write-ins for miscellaneous income	667	(2,374)
15. Total other income (Lines 12 through 14)	1,115,404	1,045,126
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,388,220	(3,427,238)
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)	6,388,220	(3,427,238)
19. Federal and foreign income taxes incurred	(77,176)	(204,974)
20. Net income (Line 18 minus Line 19) (to Line 22)	6,465,396	(3,222,264)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	92,481,819	92,303,052
22. Net income (from Line 20)	6,465,396	(3,222,264)
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,961,092	3,806,826	1,641,887
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	(580,743)	1,532,434
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(1,051,353)	241,458
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	213,119	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	286,424	(14,748)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	9,139,669	178,767
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	101,621,488	92,481,819
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
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)	667	(5,157)
1402. Gain/(Loss) sale of Equipment	0	2,783
1403.	0	0
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)	667	(2,374)
3701. Change in Surplus Due to Prior Period Adjustment (see Footnote 2)	40,754	0
3702. Change in Surplus Due to Correction of a Depreciation Error (see Footnote 2)	(690)	0
3703. Change in Surplus Due to Change in Depreciation Method (see Footnote 2)	167,912	0
3798. Summary of remaining write-ins for Line 37 from overflow page	78,448	(14,748)
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	286,424	(14,748)

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	72,161,424	67,382,980
2. Net investment income	3,837,946	4,181,320
3. Miscellaneous income	1,115,404	1,045,126
4. Total (Lines 1 through 3)	77,114,774	72,609,426
5. Benefit and loss related payments	36,050,494	44,897,511
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	29,403,678	29,148,496
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	1,400,075	(75)
10. Total (Lines 5 through 9)	66,854,247	74,045,932
11. Net cash from operations (Line 4 minus Line 10)	10,260,527	(1,436,506)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	9,725,383	10,616,084
12.2 Stocks	19,684,495	15,781,488
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	818,287	258,132
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	227,730	26,317
12.8 Total investment proceeds (Lines 12.1 to 12.7)	30,455,895	26,682,021
13. Cost of investments acquired (long-term only):		
13.1 Bonds	20,668,116	10,219,638
13.2 Stocks	16,990,857	17,845,754
13.3 Mortgage loans	0	0
13.4 Real estate	1,743	12,730
13.5 Other invested assets	767,000	0
13.6 Miscellaneous applications	187,349	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	38,615,065	28,078,122
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)	(8,159,170)	(1,396,101)
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)	(810,615)	(875,272)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(810,615)	(875,272)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,290,742	(3,707,879)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(6,939,263)	(3,231,384)
19.2 End of year (Line 18 plus Line 19.1)	(5,648,521)	(6,939,263)

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	1,300,862	664,374	686,899	1,278,337
2. Allied lines	549,951	358,756	371,824	536,883
3. Farmowners multiple peril	7,089,112	3,427,758	3,835,361	6,681,509
4. Homeowners multiple peril	19,948,428	10,890,180	11,604,591	19,234,017
5. Commercial multiple peril	8,084,173	3,858,602	4,219,687	7,723,088
6. Mortgage guaranty	0	0	0	0
8. Ocean marine	0	0	0	0
9. Inland marine	679,510	301,678	341,826	639,362
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	16,136	8,069	7,635	16,570
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	439,697	193,851	228,307	405,241
17.1 Other liability - occurrence	310,518	183,225	184,610	309,133
17.2 Other liability - claims-made	(228)	660	319	113
17.3 Excess workers' compensation	0	0	0	0
18.1 Products liability-occurrence	49,735	27,357	27,072	50,020
18.2 Products liability-claims-made	0	0	0	0
19.1,19.2 Private passenger auto liability	16,928,401	6,092,770	6,195,143	16,826,028
19.3,19.4 Commercial auto liability	2,928,087	1,269,429	1,404,982	2,792,534
21. Auto physical damage	15,867,690	5,768,367	5,831,482	15,804,575
22. Aircraft (all perils)	0	0	0	0
23. Fidelity	0	0	0	0
24. Surety	0	0	0	0
26. Burglary and theft	33,893	18,772	17,177	35,488
27. Boiler and machinery	70,157	30,598	33,674	67,081
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	74,296,122	33,094,446	34,990,589	72,399,979
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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	686,899				686,899
2. Allied lines	371,824				371,824
3. Farmowners multiple peril	3,835,361				3,835,361
4. Homeowners multiple peril	11,604,591				11,604,591
5. Commercial multiple peril	4,219,687				4,219,687
6. Mortgage guaranty	0				0
8. Ocean marine	0				0
9. Inland marine	341,826				341,826
10. Financial guaranty	0				0
11.1 Medical professional liability-occurrence	0				0
11.2 Medical professional liability-claims-made	0				0
12. Earthquake	7,635				7,635
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	228,307				228,307
17.1 Other liability-occurrence	184,610				184,610
17.2 Other liability-claims-made	319				319
17.3 Excess workers' compensation	0				0
18.1 Products liability-occurrence	27,072				27,072
18.2 Products liability-claims-made	0				0
19.1,19.2 Private passenger auto liability	6,195,143				6,195,143
19.3,19.4 Commercial auto liability	1,404,982				1,404,982
21. Auto physical damage	5,831,482				5,831,482
22. Aircraft (all perils)	0				0
23. Fidelity	0				0
24. Surety	0				0
26. Burglary and theft	17,177				17,177
27. Boiler and machinery	33,674				33,674
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	34,990,589	0	0	0	34,990,589
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					34,990,589
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.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	3,228,395	1,300,862		3,211,361	17,034	1,300,862
2. Allied lines	1,748,068	549,951		1,359,212	388,856	549,951
3. Farmowners multiple peril	0	7,089,112		0	0	7,089,112
4. Homeowners multiple peril	21,177,975	19,948,426		18,992,523	2,185,450	19,948,428
5. Commercial multiple peril	11,399,912	8,084,173		10,835,446	564,466	8,084,173
6. Mortgage guaranty	0	0		0	0	0
8. Ocean marine	0	0		0	0	0
9. Inland marine	854,561	679,510		815,472	39,089	679,510
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	19,783	16,136		19,584	199	16,136
13. Group accident and health	0	0		0	0	0
14. Credit accident and health (group and individual)	0	0		0	0	0
15. Other accident and health	0	0		0	0	0
16. Workers' compensation	1,274,865	439,697		1,099,243	175,622	439,697
17.1 Other liability-occurrence	2,927,565	310,518		647,583	2,279,982	310,518
17.2 Other liability-claims-made	8,743	(228)		(300)	9,043	(228)
17.3 Excess workers' compensation	0	0		0	0	0
18.1 Products liability-occurrence	92,240	49,735		89,800	2,440	49,735
18.2 Products liability-claims-made	0	0		0	0	0
19.1, 19.2 Private passenger auto liability	31,602,227	16,928,401		31,592,159	10,068	16,928,401
19.3, 19.4 Commercial auto liability	3,218,210	2,928,087		3,202,181	16,029	2,928,087
21. Auto physical damage	28,406,317	15,867,690		28,148,446	257,871	15,867,690
22. Aircraft (all perils)	0	0		0	0	0
23. Fidelity	0	0		0	0	0
24. Surety	0	0		0	0	0
26. Burglary and theft	36,266	33,893		34,818	1,448	33,893
27. Boiler and machinery	127,485	70,157		40,819	.86,666	70,157
28. Credit	0	0		0	0	0
29. International	0	0		0	0	0
30. Warranty	0	0		0	0	0
31. Reinsurance-nonproportional assumed property	XXX	0		0	0	0
32. Reinsurance-nonproportional assumed liability	XXX	0		0	0	0
33. Reinsurance-nonproportional assumed financial lines	XXX	0		0	0	0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	106,122,612	74,296,120	0	100,088,347	6,034,263	74,296,122
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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	388,350	147,701	388,350	147,701	44,340	44,653	147,388	11.5
2. Allied lines	1,695,106	577,208	1,695,106	577,208	113,681	155,489	535,400	99.7
3. Farmowners multiple peril	0	2,598,016	0	2,598,016	1,697,552	852,665	3,442,903	51.5
4. Homeowners multiple peril	9,088,010	9,378,309	9,088,010	9,378,309	2,868,945	2,872,987	9,374,267	48.7
5. Commercial multiple peril	3,330,656	2,295,908	3,330,656	2,295,908	3,354,032	2,524,195	3,125,745	40.5
6. Mortgage guaranty	0	0	0	0	0	0	0	0.0
8. Ocean marine	0	0	0	0	0	0	0	0.0
9. Inland marine	248,108	198,162	248,108	198,162	6,200	.5,390	.198,972	31.1
10. Financial guaranty	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability-occurrence	0	0	0	0	0	0	0	0.0
11.2 Medical professional liability-claims-made	0	0	0	0	0	0	0	0.0
12. Earthquake	0	0	0	0	0	0	0	0.0
13. Group accident and health	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0.0
15. Other accident and health	0	0	0	0	0	0	0	0.0
16. Workers' compensation	467,069	186,828	467,069	186,828	169,962	.153,755	.203,035	50.1
17.1 Other liability-occurrence	626,475	135,292	626,475	135,292	358,898	.328,181	.166,009	53.7
17.2 Other liability-claims-made	0	0	0	0	0	0	0	0.0
17.3 Excess workers' compensation	0	0	0	0	0	0	0	0.0
18.1 Products liability-occurrence	6,000	2,630	.6,000	2,630	0	.2,000	.630	.1.3
18.2 Products liability-claims-made	0	0	0	0	0	0	0	0.0
19.1,19.2 Private passenger auto liability	21,671,548	11,362,629	21,671,548	11,362,629	12,297,449	.12,650,373	.11,009,705	.65.4
19.3,19.4 Commercial auto liability	1,133,760	1,136,666	1,133,760	1,136,666	1,601,434	.1,272,086	.1,466,014	.52.5
21. Auto physical damage	17,244,877	9,280,111	17,244,877	9,280,111	910,809	.709,817	.9,481,103	.60.0
22. Aircraft (all perils)	0	0	0	0	0	0	0	0.0
23. Fidelity	0	0	0	0	0	0	0	0.0
24. Surety	0	0	0	0	0	0	0	0.0
26. Burglary and theft	30,376	14,346	30,376	14,346	0	0	.14,346	.40.4
27. Boiler and machinery	12,310	0	12,310	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	55,942,645	37,313,806	55,942,645	37,313,806	23,423,302	21,571,591	39,165,517	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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	.59,364	21,580	.59,364	.21,580	.60,228	22,760	.60,228	.44,340	.0
2. Allied lines	142,525	.57,010	142,525	.57,010	.200,118	.56,671	.200,118	.113,681	.53,788
3. Farmowners multiple peril	0	1,415,032	0	1,415,032	0	.282,520	0	1,697,552	.237,917
4. Homeowners multiple peril	3,089,932	2,355,635	3,089,932	2,355,635	.678,036	.513,310	.678,036	.2,868,945	.677,401
5. Commercial multiple peril	4,123,600	2,160,472	4,123,600	2,160,472	.3,131,439	1,193,560	.3,131,439	3,354,032	1,215,713
6. Mortgage guaranty	0	0	0	0	0	0	0	0	.0
8. Ocean marine	0	0	0	0	0	0	0	0	.0
9. Inland marine	13,000	6,200	13,000	.6,200	0	0	0	.6,200	.0
10. Financial guaranty	0	0	0	0	0	0	0	0	.0
11.1 Medical professional liability-occurrence	0	0	0	0	0	0	0	0	.0
11.2 Medical professional liability-claims-made	0	0	0	0	0	0	0	0	.0
12. Earthquake	0	0	0	0	0	0	0	0	.0
13. Group accident and health	0	0	0	0	0	0	0	(a)	.0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0	.0
15. Other accident and health	0	0	0	0	0	0	0	(a)	.0
16. Workers' compensation	123,309	.49,323	.123,309	.49,323	.460,026	.120,639	.460,026	.169,962	.42,709
17.1 Other liability-occurrence	585,778	.240,325	585,778	.240,325	.1,480,562	.118,573	.1,480,562	.358,898	.137,616
17.2 Other liability-claims-made	0	0	0	0	0	0	0	0	.0
17.3 Excess workers' compensation	0	0	0	0	0	0	0	0	.0
18.1 Products liability-occurrence	0	0	0	0	0	0	0	0	.0
18.2 Products liability-claims-made	0	0	0	0	0	0	0	0	.0
19.1,19.2 Private passenger auto liability	22,019,409	11,209,174	.22,019,409	11,209,174	.2,290,141	1,088,275	.2,290,141	.12,297,449	.1,706,566
19.3,19.4 Commercial auto liability	942,339	1,083,706	.942,339	1,083,706	.445,955	.487,690	.415,917	.1,601,434	.324,547
21. Auto physical damage	1,263,064	.672,617	1,263,064	.672,617	.442,343	.238,192	.442,343	.910,809	.274,958
22. Aircraft (all perils)	0	0	0	0	0	0	0	0	.0
23. Fidelity	0	0	0	0	0	0	0	0	.0
24. Surety	0	0	0	0	0	0	0	0	.0
26. Burglary and theft	0	0	0	0	0	0	0	0	.0
27. Boiler and machinery	13,547	13,547	0	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	XXX	0	0	0	.0
32. Reinsurance-nonproportional assumed liability	XXX	0	0	0	XXX	0	0	0	.0
33. Reinsurance-nonproportional assumed financial lines	XXX	0	0	0	XXX	0	0	0	.0
34. Aggregate write-ins for other lines of business	0	.0	0	0	0	.0	0	0	.0
35. TOTALS	32,375,867	19,271,074	32,375,867	19,271,074	9,188,848	4,122,190	9,158,810	23,423,302	4,671,215
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.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	1,950,854	0	0	1,950,854
1.2 Reinsurance assumed	0	0	0	0
1.3 Reinsurance ceded	34,340	0	0	34,340
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,916,514	0	0	1,916,514
2. Commission and brokerage:				
2.1 Direct, excluding contingent	0	12,108,008	0	12,108,008
2.2 Reinsurance assumed, excluding contingent	0	0	0	0
2.3 Reinsurance ceded, excluding contingent	0	304,682	0	304,682
2.4 Contingent-direct	0	2,161,258	0	2,161,258
2.5 Contingent-reinsurance assumed	0	0	0	0
2.6 Contingent-reinsurance ceded	0	6,306	0	6,306
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	13,958,278	0	13,958,278
3. Allowances to manager and agents	68,400	102,600	0	171,000
4. Advertising	8,537	28,204	0	36,741
5. Boards, bureaus and associations	47,094	241,480	0	288,574
6. Surveys and underwriting reports	2,957	1,020,220	0	1,023,177
7. Audit of assureds' records	0	0	0	0
8. Salary and related items:				
8.1 Salaries	3,313,253	4,488,172	365,404	8,166,829
8.2 Payroll taxes	226,742	306,619	23,449	556,810
9. Employee relations and welfare	435,762	606,521	34,962	1,077,245
10. Insurance	10,594	17,299	48,209	76,102
11. Directors' fees	42,031	42,031	42,031	126,093
12. Travel and travel items	84,561	165,400	18,791	268,752
13. Rent and rent items	149,345	210,017	11,038	370,400
14. Equipment	42,463	126,882	17,345	186,690
15. Cost or depreciation of EDP equipment and software	466,767	809,915	53,280	1,329,962
16. Printing and stationery	27,977	72,476	1,801	102,254
17. Postage, telephone and telegraph, exchange and express	178,683	332,393	7,815	518,891
18. Legal and auditing	321,310	858,615	336,291	1,516,216
19. Totals (Lines 3 to 18)	5,426,476	9,428,844	960,416	15,815,736
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	0	875,837	0	875,837
20.2 Insurance department licenses and fees	0	447,058	0	447,058
20.3 Gross guaranty association assessments	0	240	0	240
20.4 All other (excluding federal and foreign income and real estate)	0	17,984	0	17,984
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	1,341,119	0	1,341,119
21. Real estate expenses	0	0	255,649	255,649
22. Real estate taxes	0	0	78,595	78,595
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	5,002	8,171	2,987	16,160
25. Total expenses incurred	7,347,992	24,736,412	1,297,647	(a) 33,382,051
26. Less unpaid expenses-current year	4,671,215	7,205,102	65,514	11,941,831
27. Add unpaid expenses-prior year	4,511,248	4,684,343	73,562	9,269,153
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	7,188,025	22,215,653	1,305,695	30,709,373
DETAILS OF WRITE-INS				
2401. Charitable Donations	5,002	8,171	2,987	16,160
2402.	0	0	0	0
2403.	0	0	0	0
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)	5,002	8,171	2,987	16,160

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 447,390	438,663
1.1 Bonds exempt from U.S. tax	(a) 721,124	744,400
1.2 Other bonds (unaffiliated)	(a) 1,887,392	1,938,699
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) .91,938	.85,263
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	1,295,251	1,307,967
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 413,640	413,640
4. Real estate	(d) 4,646	.6,520
5. Contract loans	(f) 0	0
6. Cash, cash equivalents and short-term investments	85,885	85,952
7. Derivative instruments	(88)	336
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	4,947,178	5,021,440
11. Investment expenses	(g) 1,297,647	
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) 0	
13. Interest expense	(h) 0	
14. Depreciation on real estate and other invested assets	(i) 222,445	0
15. Aggregate write-ins for deductions from investment income	0	0
16. Total deductions (Lines 11 through 15)	1,520,092	
17. Net investment income (Line 10 minus Line 16)	3,501,348	
DETAILS OF WRITE-INS		
0901. TXU Corporation interest income	(212)	212
0902. Tyco Int'l interest income	124	124
0903.	0	0
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)	(88)	336
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)	0	0

(a) Includes \$ 77,932 accrual of discount less \$ 273,972 amortization of premium and less \$ 87,539 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 \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ 8,349 amortization of premium and less \$ 3,250 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 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	2,420		2,420	51,760	
1.1 Bonds exempt from U.S. tax0		
1.2 Other bonds (unaffiliated)	69,165		69,165	4,790	
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	(1,760)	0	(1,760)	(52,810)	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	997,977	(206,374)	791,603	5,687,778	0
2.21 Common stocks of affiliates	0	0	0	36,745	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans				0	
6. Cash, cash equivalents and short-term investments				0	
7. Derivative instruments	19,025		19,025	21,357	
8. Other invested assets	61,078	0	61,078	18,299	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	1,147,905	(206,374)	941,531	5,767,919	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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 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	300,361	263,615	(36,746)
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)	2,203,105	1,907,318	(295,787)
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)	2,503,466	2,170,933	(332,533)
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.....	180,836	121,704	(59,132)
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	66,143	66,143
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.....	746,593	0	(746,593)
21. Furniture and equipment, including health care delivery assets	109,913	130,675	20,762
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).....	3,540,808	2,489,455	(1,051,353)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	3,540,808	2,489,455	(1,051,353)
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 Western Reserve Mutual Casualty Company (WRMCC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

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

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

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 non-admitted 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 (\$32,815) of \$63,700.

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 increased surplus by \$167,912. 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 \$690.

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 \$40,754.

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 \$15,043 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 \$21,357 and \$26,319 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 \$14,748 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	\$ 7,111,527	\$ 889,056	\$ 8,000,583
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	7,111,527	889,056	8,000,583
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	7,111,527	889,056	8,000,583
(f) Deferred Tax Liabilities	(562,093)	(8,414,303)	(8,976,396)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 6,549,434</u>	<u>\$ (7,525,247)</u>	<u>\$ (975,813)</u>

NOTES TO FINANCIAL STATEMENTS

	12/31/2012		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 7,594,957	\$ 890,116	\$ 8,485,073
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	7,594,957	890,116	8,485,073
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	7,594,957	890,116	8,485,073
(f) Deferred Tax Liabilities	(433,025)	(6,453,210)	(6,886,235)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 7,161,932</u>	<u>\$ (5,563,094)</u>	<u>\$ 1,598,838</u>

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ (483,430)	\$ (1,060)	\$ (484,490)
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(483,430)	(1,060)	(484,490)
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	(483,430)	(1,060)	(484,490)
(f) Deferred Tax Liabilities	(129,068)	(1,961,093)	(2,090,161)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ (612,498)</u>	<u>\$ (1,962,153)</u>	<u>\$ (2,574,651)</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)	2,783,940	—	2,783,940
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,783,940	—	2,783,940
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	15,104,990
(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>4,327,587</u>	<u>889,056</u>	<u>5,216,643</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 7,111,527</u>	<u>\$ 889,056</u>	<u>\$ 8,000,583</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)	2,218,106	—	2,218,106
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,218,106	—	2,218,106
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	11,862,759
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	6,266,967	—	6,266,967
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 8,485,073</u>	<u>\$ —</u>	<u>\$ 8,485,073</u>
Change			
	(7)	(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)	565,834	—	565,834
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	565,834	—	565,834
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	3,242,231
(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.	(1,939,380)	889,056	(1,050,324)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ (1,373,546)</u>	<u>\$ 889,056</u>	<u>\$ (484,490)</u>

3.

- (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.
- (b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.

2013	2012
15%	15%
\$100,699,936	\$ 90,882,981

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)	\$ 7,111,527	\$ 889,056
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)	\$ 7,111,527	\$ 889,056
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)	\$ 7,594,957	\$ 890,116
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)	\$ 7,594,957	\$ 890,116
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)	\$ (483,430)	\$ (1,060)
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)	\$ (483,430)	\$ (1,060)
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 X

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	\$ (77,176)	\$ (204,974)
(b)	Foreign	\$ —	\$ —
(c)	Subtotal	\$ (77,176)	\$ (204,974)
(d)	Federal income tax on net capital gains	\$ 320,120	\$ 204,974
(e)	Utilization of operating loss carry-forwards	\$ —	\$ 115,146
(f)	Other	\$ —	\$ —
(g)	Federal and foreign income taxes incurred	\$ 242,944	\$ 242,944
2.	Deferred Tax Assets:		
(a)	Ordinary		
(1)	Discounting of unpaid losses	\$ 408,385	\$ (80,098)
(2)	Unearned premium reserve	\$ 2,379,360	\$ 128,938
(3)	Policyholder reserves	\$ —	\$ —
(4)	Investments	\$ —	\$ —
(5)	Deferred acquisition costs	\$ —	\$ —
(6)	Policyholder dividends accrual	\$ —	\$ —
(7)	Fixed Assets	\$ 325,212	\$ 325,212
(8)	Compensation and benefits accrual	\$ 843,939	\$ (274,732)
(9)	Pension accrual	\$ 205,520	\$ (37,870)
(10)	Receivables – nonadmitted	\$ 776,540	\$ 776,540
(11)	Net operating loss carry-forward	\$ 522,656	\$ (1,617,018)
(12)	Tax credit carry-forward	\$ 599,240	\$ 242,944
(13)	Other (including items <5% of total ordinary tax assets):		
(14)	Salvage and subrogation anticipated	\$ 707,095	\$ (24,888)
(15)	Other	\$ 343,580	\$ 77,542
(99)	Subtotal	\$ 7,111,527	\$ (483,430)
(b)	Statutory valuation allowance adjustment	\$ —	\$ —
(c)	Nonadmitted	\$ —	\$ —
(d)	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 7,111,527	\$ 7,594,957

NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2013	(2) 12/31/2012	(3) (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	\$ 889,056	\$ 890,116	\$ (1,060)
(99) Subtotal	\$ 889,056	\$ 890,116	\$ (1,060)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ 889,056	\$ 890,116	\$ (1,060)
(i) Admitted deferred tax assets (2d + 2h)	\$ 8,000,583	\$ 8,485,073	\$ (484,490)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ (360,709)	\$ (334,670)	\$ (26,039)
(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	\$ (129,266)	\$ (91,954)	\$ (37,312)
(7) Other	\$ (72,118)	\$ (6,401)	\$ (65,517)
(99) Subtotal	\$ (562,093)	\$ (433,025)	\$ (129,068)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (8,414,303)	\$ (6,453,210)	\$ (1,961,093)
(99) Subtotal	\$ (8,414,303)	\$ (6,453,210)	\$ (1,961,093)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ (8,976,396)	\$ (6,886,235)	\$ (2,090,161)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ (975,813)	\$ 1,598,838	\$ (2,574,651)
D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. Among the more significant book to tax adjustments were the following:			
		12/31/2013	Effective Tax Rate
Provision computed at statutory rate		\$ 2,280,836	34.0%
Tax exempt interest		(215,132)	(3.2%)
Dividends received deduction		(217,940)	(3.2%)
Change in deferred tax on nonadmitted assets		(1,101,752)	(16.4%)
Other		110,491	1.6%
Total		\$ 856,503	12.8%
Federal and foreign income taxes incurred		\$ (77,176)	(1.2%)
Tax on capital gains (losses)		320,120	4.8%
Change in net deferred income taxes		613,559	9.2%
Total statutory income taxes		\$ 856,503	12.8%

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	\$ 1,537,223
Total		\$ 1,537,223

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 \$599,240 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 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 was an intercompany payable of \$515,312 due to its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. The Company (WRMCC) participates in a pooling agreement with Lightning Rod Mutual Insurance Company, (LRMIC) and Sonnenberg Mutual Insurance Company (SMIC), whereby net premiums, losses, underwriting expenses and related balance sheet amounts (except premiums receivable) are shared on a 40% / 55% / 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. The Company owns 40% percent of Western Reserve Financial Corporation, an inactive holding company. The stock is carried at \$26,888 (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

Not applicable.

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 which is closed to new participants. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts 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.

NOTES TO FINANCIAL STATEMENTS

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 \$24.7 million.

(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.

NOTES TO FINANCIAL STATEMENTS

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.

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.

STATEMENT AS OF DECEMBER 31, 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

(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	\$ 807,128	\$ —	\$ —	\$ 807,128
Total Perpetual Preferred Stocks	807,128	—	—	807,128
Common Stock:				
Mutual Funds	18,788,343			18,788,343
Industrial and Misc	31,673,833	97,800	—	31,741,633
Parent, Subsidiaries, and Affiliates	—	—	—	—
Total Common Stocks	50,462,176	97,800	—	50,559,976
Other Invested Assets	—	—	3,480,482	3,480,482
Total assets at fair value	<u>\$ 51,269,305</u>	<u>\$ 97,800</u>	<u>\$ 3,480,482</u>	<u>\$ 54,847,587</u>
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	\$ 1,257,752	\$ —	\$ —	\$ 1,257,752
Total Perpetual Preferred Stocks	1,257,752	—	—	1,257,752
Redeemable Preferred Stock:				
Industrial and Misc	385,016	—	—	385,016
Total Redeemable Preferred Stocks	385,016	—	—	385,016
Bonds:				
Industrial and Misc	841,942	—	—	841,942
Total Bonds	841,942	—	—	841,942
Common Stock:				
Mutual Funds	5,457,240			5,457,240
Industrial and Misc	40,445,801	90,124	—	40,535,925
Parent, Subsidiaries, and Affiliates	—	—	—	—
Total Common Stocks	45,903,041	90,124	—	45,993,165
Other Invested Assets	—	—	3,478,180	3,478,180
Total assets at fair value	<u>\$ 48,487,751</u>	<u>\$ 90,124</u>	<u>\$ 3,478,180</u>	<u>\$ 52,056,055</u>
b. Liabilities at fair value:				
Derivative liabilities	14,748	—	—	14,748
Total liabilities at fair value	<u>\$ 14,748</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 14,748</u>

(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	3,748,181	—	61,078	18,301	(347,076)	3,480,483
Total Assets	<u>\$ 3,748,181</u>	<u>\$ —</u>	<u>\$ 61,078</u>	<u>\$ 18,301</u>	<u>\$ (347,076)</u>	<u>\$ 3,480,483</u>
b. Liabilities:						
Not applicable.						

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

NOTES TO FINANCIAL STATEMENTS

(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	\$ 93,973,044	\$ 91,077,665	\$ —	\$ 93,973,044	\$ —	\$ —
Perpetual Preferred Stock	807,128	807,128	807,128	—	—	—
Common Stock	50,559,977	50,559,976	50,462,176	97,800	—	—
Other Invested Assets	3,480,482	3,480,482	—	—	3,480,482	—

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.

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.

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Reinsurance

In 2008, the Company recorded a provision for reinsurance of \$213 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 \$75,053, which is reflected as:

A. Losses incurred	\$ 64,759
B. Loss adjustment expenses incurred	\$ —
C. Premiums earned	\$ 10,294
D. Other	\$ —
E. <u>Company</u>	<u>Amount</u>
Lehman Re	\$ 75,053

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 \$26.1 million. In calendar year 2013, \$12.2 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 \$12.1 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 \$1.9 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.

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		

NOTES TO FINANCIAL STATEMENTS

with the pool participation percentages.

G. There was \$548,510 due from the Company to the 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.	
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:	\$ —	\$ 10	\$ 10	\$ 10	\$ 30
b. Incurred losses and loss adjustment expense:	21	45	20	28	69
c. Calendar year payments for losses and loss adjustment expenses:	11	45	20	8	36
d. Ending reserves:	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 30</u>	<u>\$ 63</u>
(2) Assumed Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	—	—	—	—	—
d. Ending reserves:	<u>\$ —</u>				

NOTES TO FINANCIAL STATEMENTS

(3) Net of Ceded Reinsurance –

a. Beginning reserves:	\$ —	\$ 10	\$ 10	\$ 10	\$ 30
b. Incurred losses and loss adjustment expense:	21	45	20	28	40
c. Calendar year payments for loss and loss adjustment expenses:	<u>11</u>	<u>45</u>	<u>20</u>	<u>8</u>	<u>7</u>
d. Ending reserves:	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 30</u></u>	<u><u>\$ 63</u></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 & 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 []
Ohio.....

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 []
.....06/26/2013

2.2 If yes, date of change:12/31/2011

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 []
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 []
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
.....
.....
.....
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

GENERAL INTERROGATORIES

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

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

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

8.4 If response to 8.3 is yes, please provide 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
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).

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict 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 \$.....
22.22 Amount paid as expenses \$.....
22.23 Other amounts paid \$.....

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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 [] 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	\$.....
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

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

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
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 []

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.....

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No []

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001. 00080Y-72-8.....	Aston/Lake Partners Lasso Alt.....	519,445
29.2002. 03875R-20-5.....	Arbitrage Funds CL1.....	192,838
29.2003. 04315J-86-0.....	Aberdeen Global High Income Fund.....	629,094
29.2004. 25264S-83-3.....	Diamond Hill Long Short Fd CI 1.....	531,745
29.2005. 258620-10-3.....	Doubline Total Rtn Bond Fund CL 1.....	197,445
29.2006. 277911-49-1.....	Eaton Vance Floating Rate Fnd CL 1.....	540,034
29.2007. 413838-20-2.....	The Oakmark International Fund.....	97,590
29.2008. 45070A-40-4.....	IVA International Fund CI 1.....	1,483,798
29.2009. 464287-46-5.....	iShares MSCI EAFE Index ETF.....	704,498
29.2010. 464287-65-5.....	iShares Trust Russell 2000 Index.....	98,056
29.2011. 52106N-88-9.....	Lazard Emerging Mkts Eqty PTFL CL.....	355,740
29.2012. 543495-78-2.....	Loomis Sayles Gbl Bond Fnd.....	754,635
29.2013. 577125-10-7.....	Matthews Asia Dividend Fund.....	716,674
29.2014. 577130-20-6.....	Matthews Asian Growth and Inc Fnd.....	385,877
29.2015. 72201M-45-3.....	PIMCO Unconstrained Bond Fund CL P.....	215,931
29.2016. 72201M-73-5.....	PIMCO High Yield Fd CL P.....	1,187,084
29.2017. 746476-40-7.....	Putnam Cnvtbl Inc Grwth Tr Y.....	1,099,663
29.2018. 76882K-70-2.....	RiverPark ST High Yield Fund Inst'l.....	600,400
29.2019. 780905-60-0.....	Royce Premier Fund.....	1,217,376
29.2020. 880208-40-0.....	Templeton Global Bond Fnd ADV CL.....	624,861
29.2021. 880208-85-5.....	Templeton Global Total Return Fund.....	204,448
29.2022. 885215-56-6.....	Thornburg International Fund CI 1.....	1,332,636
29.2023. 921937-82-7.....	Vanguard S/T Bond ETF.....	934,620
29.2024. 922023-10-6.....	Vanguard Convertible Sec Fund.....	283,754
29.2999 TOTAL		14,908,243

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Aston/Lake Partners Lasso Alt.....	Weitz Partners III Opportunity Instl.....	310,992	12/31/2013.....
Arbitrage Funds CL1.....	Life Technologies Corp.....	35,116	12/31/2013.....
Aberdeen Global High Income Fund.....	S60102890 Cds Usd R F 5.0 Cdx.Hy.S20.....	26,485	12/31/2013.....
Diamond Hill Long Short Fd CI 1.....	American International Group Inc.....	71,413	12/31/2013.....
Doubline Total Rtn Bond Fund CL 1.....	US Treasury Note 1.625%.....	18,994	12/31/2013.....
Eaton Vance Floating Rate Fnd CL 1.....	Dell International Floating Coupon Mat 04/29/2020.....	22,951	12/31/2013.....
The Oakmark International Fund.....	Credit Suisse Group.....	18,093	12/31/2013.....
IVA International Fund CI 1.....	Nestle SA.....	224,202	12/31/2013.....
iShares MSCI EAFE Index ETF.....	Nestle SA.....	53,824	12/31/2013.....
iShares Trust Russell 2000 Index.....	AthenaHealth, Inc.....	1,706	12/31/2013.....
Lazard Emerging Mkts Eqty PTFL CL.....	Sberbank of Russia.....	59,480	12/31/2013.....
Loomis Sayles Gbl Bond Fnd.....	Japan (Govt Of) 1.3%.....	126,930	12/31/2013.....
Matthews Asia Dividend Fund.....	Orix Corporation.....	146,918	12/31/2013.....
Matthews Asian Growth and Inc Fnd.....	Singapore Technologies Engineering Ltd.....	58,538	12/31/2013.....
PIMCO Unconstrained Bond Fund CL P.....	US Treasury Note 0.25%.....	20,082	12/31/2013.....
PIMCO High Yield Fd CL P.....	Cdx Hy20 5y Bp Ice.....	38,343	12/31/2013.....
Putnam Cnvtbl Inc Grwth Tr Y.....	Gilead Sciences Cv 1.625%.....	129,430	12/31/2013.....
RiverPark ST High Yield Fund Inst'l.....	Epe Hldgs LLC/Ep Eny Bondco 144A 8.125%.....	145,177	12/31/2013.....
Royce Premier Fund.....	Thor Industries, Inc.....	173,476	12/31/2013.....
Templeton Global Bond Fnd ADV CL.....	Ireland (Republic Of) 5%.....	74,983	12/31/2013.....
Templeton Global Total Return Fund.....	Korea (Republic Of) 2.75%.....	28,091	12/31/2013.....
Thornburg International Fund CI 1.....	Mitsubishi UFJ Financial Group, Inc.....	178,707	12/31/2013.....
Vanguard S/T Bond ETF.....	US Treasury Note 0.25%.....	77,854	12/31/2013.....
Vanguard Convertible Sec Fund.....	Priceline Com 144A Cv 0.35%.....	23,608	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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	93,475,393	96,431,778	2,956,385
30.2 Preferred Stocks.....	807,128	807,128	0
30.3 Totals	94,282,521	97,238,906	2,956,385

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).

Yes [] No [X]

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

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).

Yes [X] No []

32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 288,574

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.....	\$.....187,697

34.1 Amount of payments for legal expenses, if any? \$ 25,187

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.....	\$.....8,867

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

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
.....	\$.....
.....	\$.....
.....	\$.....

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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 lives 0

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 lives 0

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 lives 0

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 lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$ 0	\$ 0
2.2 Premium Denominator	\$ 72,399,979	\$ 67,180,348
2.3 Premium Ratio (2.1/2.2)0.0000.000
2.4 Reserve Numerator	\$ 0	\$ 0
2.5 Reserve Denominator	\$ 63,085,106	\$ 59,177,285
2.6 Reserve Ratio (2.4/2.5)0.0000.000

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

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 \$56.6 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?.....

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 unreinsured 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)?.....

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)?.....

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?.....

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 noncancelable 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.....

.....

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

.....

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?.....

.....

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.

.....

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?.....

.....

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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)..... \$..... 0

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..... \$.....

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

* Disclose type of coverage:

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**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:

	Gross amount of unauthorized reinsurance in Schedule F – Part 3	\$.....
17.11	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.

	Gross amount of unauthorized reinsurance in Schedule F – Part 3	\$.....
17.18	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 WESTERN RESERVE MUTUAL CASUALTY 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)	59,780,060	57,838,696	54,858,409	50,846,904	47,095,657
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	52,741,432	50,981,429	46,999,477	44,858,288	41,043,478
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	67,897,240	62,809,674	57,819,626	54,431,224	51,054,513
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)	180,418,732	171,629,799	159,677,512	150,136,416	139,193,648
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)	20,656,210	20,252,953	19,568,797	18,420,027	17,471,619
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	18,448,042	17,984,893	16,861,451	16,726,223	15,827,312
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	35,191,870	31,622,896	29,009,565	27,185,375	24,653,002
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)	74,296,122	69,860,742	65,439,813	62,331,625	57,951,933
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	1,150,058	(8,681,940)	(6,140,773)	(4,392,697)	(4,314,206)
14. Net investment gain (loss) (Line 11)	4,122,758	4,209,576	5,018,430	4,489,427	4,089,047
15. Total other income (Line 15)	1,115,404	1,045,126	1,043,834	931,327	897,064
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(77,176)	(204,974)	(595,692)	(173,986)	(1,224,781)
18. Net income (Line 20)	6,465,396	(3,222,264)	517,183	1,202,043	1,896,686
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	177,839,989	161,771,192	156,593,836	153,754,045	150,637,758
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	26,966,974	25,001,501	22,045,171	20,284,454	18,184,892
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)	76,218,501	69,289,373	64,290,784	61,662,496	59,266,470
22. Losses (Page 3, Line 1)	23,423,302	21,571,591	20,292,545	17,831,788	18,161,476
23. Loss adjustment expenses (Page 3, Line 3)	4,671,215	4,511,248	3,964,000	3,964,000	3,964,000
24. Unearned premiums (Page 3, Line 9)	34,990,589	33,094,446	30,414,052	28,053,946	25,908,787
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	101,621,488	92,481,819	92,303,052	92,091,549	91,371,288
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	10,260,527	(1,436,506)	1,417,213	631,560	2,430,882
Risk-Based Capital Analysis					
28. Total adjusted capital	101,621,488	92,481,819	92,303,052	92,091,549	91,371,288
29. Authorized control level risk-based capital	8,189,317	7,594,034	7,196,267	7,350,268	6,868,415
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)	61.6	60.6	61.0	61.7	63.2
31. Stocks (Lines 2.1 & 2.2)	34.7	36.0	32.6	33.9	29.8
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)	5.1	5.9	6.1	6.3	6.5
34. Cash, cash equivalents and short-term investments (Line 5)	(3.8)	(5.2)	(2.5)	(4.9)	(2.3)
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)	2.4	2.8	2.8	2.9	2.7
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)	300,361	263,615	253,019	257,937	245,592
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	300,361	263,615	253,019	257,937	245,592
49. Total Investment in parent included in Lines 42 to 47 above	0	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)	0.3	0.3	0.3	0.3	0.3

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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)	3,806,826	1,641,887	(1,079,499)	1,790,706	2,888,691
52. Dividends to stockholders (Line 35)	.0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	9,139,669	178,767	211,503	720,261	4,461,755
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)	36,728,897	38,244,544	30,859,258	28,744,048	28,276,482
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	29,824,345	30,623,567	30,665,735	25,663,987	22,452,699
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	26,703,209	43,192,264	36,930,028	32,724,912	29,634,945
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)	93,256,451	112,060,375	98,455,021	87,132,947	80,364,126
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)	12,824,045	12,864,371	11,049,794	10,799,171	10,397,815
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	10,217,528	10,341,719	10,028,834	9,360,122	8,536,929
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	14,272,233	21,165,812	17,634,099	16,677,328	14,518,303
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)	37,313,806	44,371,902	38,712,727	36,836,621	33,453,047
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	34.1	34.4
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)	73.1	75.5	70.9	67.7	63.4
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)	(2,089)	(593)	(1,855)	(2,297)	(1,687)
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)	(2.5)	(1.9)
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)	(1,415)	(2,126)	(2,943)	(3,727)	(3,345)
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)	(3.2)	(4.3)	(3.4)

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

Yes No

If no, please explain

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed	
	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)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	(12)	0	5	0	4	0	15	(3)	XXX	
2. 2004	61,669	4,050	57,619	34,966	3,384	755	76	3,715	13	1,953	35,963	XXX	
3. 2005	61,195	3,850	57,345	28,312	1,905	663	135	3,575	14	1,420	30,496	XXX	
4. 2006	59,975	3,889	56,086	35,783	4,795	909	57	4,616	25	1,559	36,431	XXX	
5. 2007	59,103	2,885	56,218	34,469	2,354	909	128	4,799	23	1,741	37,672	XXX	
6. 2008	59,044	3,021	56,023	40,778	6,353	1,155	0	5,615	0	1,585	41,195	XXX	
7. 2009	59,690	3,104	56,586	36,008	1,451	767	0	4,191	0	1,602	39,515	XXX	
8. 2010	63,138	2,952	60,186	36,879	264	678	5	4,610	3	1,908	41,895	XXX	
9. 2011	67,505	4,425	63,080	49,194	9,631	494	0	5,178	2	2,065	45,233	XXX	
10. 2012	72,594	5,417	67,177	46,470	7,299	259	0	5,880	0	1,583	45,310	XXX	
11. 2013	77,236	4,836	72,400	27,373	32	61	0	4,862	0	990	32,264	XXX	
12. Totals	XXX	XXX	XXX	370,220	37,468	6,655	401	47,045	80	16,421	385,971	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1.	53	0	0	0	0	0	0	0	0	0	0	.53	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	10	0	0	0	0	0	0	0	1	0	0	11	XXX
4.	184	0	0	0	3	0	1	0	.8	1	0	195	XXX
5.	123	0	1	1	7	1	2	3	15	1	0	142	XXX
6.	405	79	.21	.9	.27	0	.12	.4	.50	.9	0	414	XXX
7.	257	0	.70	.58	.54	2	.23	.12	.93	.18	0	407	XXX
8.	1,074	0	244	164	.124	2	.48	.11	.207	.36	0	1,484	XXX
9.	1,977	0	406	196	.225	7	.109	.29	.416	.89	0	2,812	XXX
10.	5,089	56	684	281	.383	1	.157	.12	.753	.146	0	.6,570	XXX
11.	10,240	5	4,384	948	864	5	279	24	1,472	248	0	16,009	XXX
12.	19,412	140	5,810	1,657	1,687	18	631	95	3,015	548	0	28,097	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 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	.53	0
2.	39,436	3,473	35,963	63.9	.85.8	62.4	0	0	40.0	0	0
3.	32,561	2,054	30,507	.53.2	.53.4	53.2	0	0	40.0	.10	1
4.	41,504	4,878	36,626	.69.2	.125.4	65.3	0	0	40.0	.184	.11
5.	40,325	2,511	37,814	.68.2	.87.0	67.3	0	0	40.0	.123	.19
6.	48,063	6,454	41,609	.81.4	.213.6	74.3	0	0	40.0	.338	.76
7.	41,463	1,541	39,922	.69.5	.49.6	70.6	0	0	40.0	.269	.138
8.	43,864	485	43,379	.69.5	.16.4	72.1	0	0	40.0	.1,154	.330
9.	57,999	9,954	48,045	.85.9	.224.9	76.2	0	0	40.0	.2,187	.625
10.	59,675	7,795	51,880	.82.2	.143.9	77.2	0	0	40.0	.5,436	.1,134
11.	49,535	1,262	48,273	.64.1	.26.1	66.7	0	0	40.0	13,671	2,338
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	23,425	4,672

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 WESTERN RESERVE MUTUAL CASUALTY 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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 One Year	12 Two Year
1. Prior	10,874	7,945	7,314	7,003	6,726	6,493	6,367	6,302	6,294	6,277	(17)	(25)
2. 2004	37,001	34,196	33,130	32,678	32,382	32,274	32,299	32,272	32,265	32,261	(4)	(11)
3. 2005	XXX	29,361	27,821	27,510	27,180	27,156	26,970	26,950	26,964	26,945	(19)	(5)
4. 2006	XXX	XXX	32,810	32,997	32,403	32,173	32,049	31,994	32,026	32,028	2	34
5. 2007	XXX	XXX	XXX	34,613	34,457	33,360	32,806	32,799	32,844	33,024	180	225
6. 2008	XXX	XXX	XXX	XXX	37,036	37,041	35,965	35,751	36,038	35,953	(85)	202
7. 2009	XXX	XXX	XXX	XXX	XXX	36,607	36,351	36,093	35,804	35,656	(148)	(437)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	39,852	38,643	38,298	38,601	303	(42)
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	43,898	43,576	42,542	(1,034)	(1,356)	
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46,660	45,393	(1,267)	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	42,187	XXX	XXX
										12. Totals	(2,089)	(1,415)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013		
1. Prior	000	3,592	5,171	5,939	6,137	6,222	6,244	6,224	6,231	6,224	XXX	XXX
2. 2004	22,810	29,478	31,078	31,687	31,941	32,153	32,178	32,171	32,264	32,261	XXX	XXX
3. 2005	XXX	18,796	24,161	25,865	26,448	26,824	26,931	26,922	26,935	26,935	XXX	XXX
4. 2006	XXX	XXX	21,940	28,597	30,158	31,210	31,568	31,744	31,816	31,840	XXX	XXX
5. 2007	XXX	XXX	XXX	22,891	29,207	30,657	31,819	32,228	32,770	32,896	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	26,092	32,388	34,147	35,034	35,776	35,580	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	24,722	31,962	33,912	35,054	35,324	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	27,215	33,632	36,227	37,288	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,780	37,585	40,057	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,321	39,430	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27,402	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)										10 2013
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	
1. Prior	1,595	501	263	165	77	8	0	0	0	0	0
2. 2004	4,399	761	377	77	65	10	0	1	0	0	0
3. 2005	XXX	3,540	370	239	32	22	0	2	1	0	0
4. 2006	XXX	XXX	3,057	310	124	69	21	9	24	1	
5. 2007	XXX	XXX	XXX	3,273	204	183	38	18	0	(1)	
6. 2008	XXX	XXX	XXX	XXX	2,869	415	147	29	17	20	
7. 2009	XXX	XXX	XXX	XXX	XXX	3,001	211	181	15	23	
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	3,369	387	60	117	
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,197	504	290	
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,091	548	
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,691	

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
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	31,733,634	31,188,997	0	18,734,096	22,524,741	13,275,509	563,334
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	74,388,978	72,812,792	0	37,208,549	36,529,170	28,289,206	1,345,370
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
59. Totals		(a) 4	106,122,612	104,001,789	0	55,942,645	59,053,911	41,564,715	1,908,704

DETAILS OF WRITE-INS

58001. XXX
58002. XXX
58003. XXX
58998. Sum. of remaining write-ins for Line 58 from overflow page. XXX
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above) XXX

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

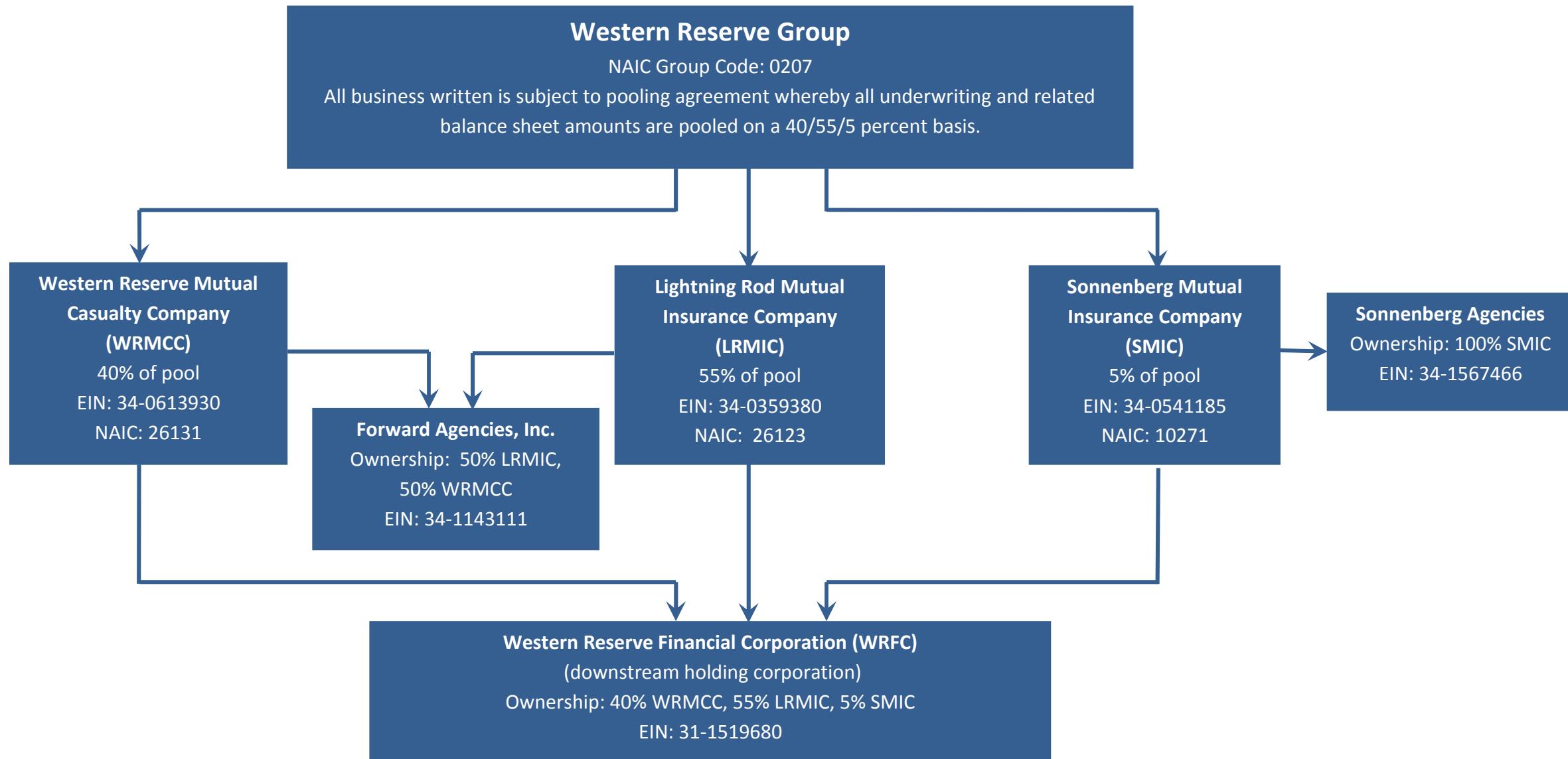
Explanation of basis of allocation of premiums by states, etc.

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



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

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