



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

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

OFFICERS

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

OTHER OFFICERS

JOHN CHRISTOPHER MONTGOMERY	VP - INVESTMENTS		
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DIRECTORS OR TRUSTEES

MARK LEWIS BOXER #	DOUGLAS PAUL BUTH	GLENN EUGENE CORLETT	ELWOOD GORDON GEE
ROBERT ENLOW HOYT	JOHN PAUL MCCAFFREY	MARY MARNETTE PERRY	MELVIN GEORGE PYE JR
THOMAS SIMRALL STEWART	THOMAS HOWARD WELCH	DAVID CHARLES WETMORE	CHRISTIANNA (NMN) WOOD #

State ofOhio.....
County ofFranklin.....

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

THOMAS HOWARD WELCH PRESIDENT & CEO	LAVAWN DEE COLEMAN VP & SECRETARY	JOHN PAUL MCCAFFREY VP & CFO
Subscribed and sworn to before me this 24th day of February, 2014		a. Is this an original filing? Yes [X] No [] b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached
Teresa J. Burchwell, Notary Public April 28, 2017		

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE TRUSTGARD INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	82,546,499		82,546,499	74,426,504
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	2,000	2,000	0	2,000
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$817,575 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	817,575		817,575	817,576
6. Contract loans (including \$premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	1,636,873		1,636,873	4,549,370
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	85,002,947	2,000	85,000,947	79,795,450
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	869,559		869,559	782,965
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	7,618,345	41,538	7,576,807	6,826,635
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$12,629 earned but unbilled premiums).....	13,092	463	12,629	(7,818)
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....	1,482,837	31,761	1,451,076	1,301,732
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	1,293,403		1,293,403	1,624,382
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other than invested assets	18,727	0	18,727	18,354
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	96,298,910	75,762	96,223,148	90,341,700
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	96,298,910	75,762	96,223,148	90,341,700
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities in Pools.....	18,727		18,727	18,354
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	18,727	0	18,727	18,354

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	14,703,824	13,656,216
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		(27)
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	4,393,818	4,088,515
4. Commissions payable, contingent commissions and other similar charges	713,766	497,429
5. Other expenses (excluding taxes, licenses and fees)	1,346,271	1,150,485
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	487,761	446,260
7.1 Current federal and foreign income taxes (including \$ 66,454 on realized capital gains (losses))	2,177,684	1,776,387
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 60,705,558 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	15,696,006	14,497,132
10. Advance premium	869,976	0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	34,827	31,487
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending	1,636,873	4,549,370
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	42,060,807	40,693,253
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	42,060,807	40,693,253
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,500,000	2,500,000
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	4,657,724	4,657,724
35. Unassigned funds (surplus)	47,004,617	42,490,723
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	54,162,341	49,648,447
38. Totals (Page 2, Line 28, Col. 3)	96,223,148	90,341,700
DETAILS OF WRITE-INS		
2501.		0
2502.		0
2503.		0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	38,694,447	36,213,856
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	21,330,203	21,008,778
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	4,575,054	3,981,495
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	12,794,328	11,661,814
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	38,699,586	36,652,087
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(5,139)	(438,231)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	2,697,255	2,509,607
10. Net realized capital gains (losses) less capital gains tax of \$66,454 (Exhibit of Capital Gains (Losses)).....	123,415	121,120
11. Net investment gain (loss) (Lines 9 + 10)	2,820,670	2,630,727
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$4,404 amount charged off \$199,126)	(194,722)	(176,188)
13. Finance and service charges not included in premiums	3,732,544	3,922,566
14. Aggregate write-ins for miscellaneous income	231,722	141,078
15. Total other income (Lines 12 through 14)	3,769,544	3,887,456
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,585,075	6,079,951
17. Dividends to policyholders	113,380	110,206
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	6,471,695	5,969,745
19. Federal and foreign income taxes incurred	2,111,230	1,711,168
20. Net income (Line 18 minus Line 19) (to Line 22)	4,360,465	4,258,577
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	49,648,447	45,441,899
22. Net income (from Line 20)	4,360,465	4,258,577
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	181,105	(63,147)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(27,677)	11,118
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1 Paid in		0
32.2 Transferred from surplus (Stock Dividend)		0
32.3 Transferred to surplus		0
33. Surplus adjustments:		
33.1 Paid in		0
33.2 Transferred to capital (Stock Dividend)		0
33.3 Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		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	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	4,513,893	4,206,548
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	54,162,341	49,648,447
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		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. Miscellaneous Income.....	231,722	141,078
1402.		0
1403.		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)	231,722	141,078
3701.		0
3702.		0
3703.		0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	39,998,762	36,636,258
2. Net investment income	3,113,703	2,937,434
3. Miscellaneous income	3,769,544	3,887,456
4. Total (Lines 1 through 3)	46,882,009	43,461,148
5. Benefit and loss related payments	20,282,567	21,166,477
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	16,610,456	15,131,424
8. Dividends paid to policyholders	110,040	105,798
9. Federal and foreign income taxes paid (recovered) net of \$66,454 tax on capital gains (losses).....	1,776,387	1,791,666
10. Total (Lines 5 through 9)	38,779,450	38,195,365
11. Net cash from operations (Line 4 minus Line 10)	8,102,559	5,265,783
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	12,086,244	16,491,182
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,086,244	16,491,182
13. Cost of investments acquired (long-term only):		
13.1 Bonds	20,519,412	21,942,892
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	20,519,412	21,942,892
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)	(8,433,168)	(5,451,710)
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).....	330,609	405,034
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	330,609	405,034
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)	0	219,107
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	817,576	598,469
19.2 End of year (Line 18 plus Line 19.1)	817,575	817,576

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 .....	.533,171	.281,429	.302,793	.511,808
2.	Allied lines .....	.295,599	.157,504	.169,094	.284,009
3.	Farmowners multiple peril .....	.691,471	.321,436	.353,127	.659,779
4.	Homeowners multiple peril .....	.8,703,012	.4,576,720	.4,923,492	.8,356,240
5.	Commercial multiple peril .....	.3,774,435	.1,737,329	.1,862,832	.3,648,933
6.	Mortgage guaranty .....	.0	.0	.0	.0
8.	Ocean marine .....	.0	.0	.0	.0
9.	Inland marine .....	.285,218	.157,220	.155,539	.286,898
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 .....	.83,607	.48,627	.47,509	.84,725
13.	Group accident and health .....	.3,399	.0	.0	.3,399
14.	Credit accident and health (group and individual) .....	.0	.0	.0	.0
15.	Other accident and health .....	.0	.0	.0	.0
16.	Workers' compensation .....	.1,341,931	.552,873	.541,634	.1,353,170
17.1	Other liability - occurrence .....	.627,605	.348,745	.335,081	.641,269
17.2	Other liability - claims-made .....	.208	.58	.57	.210
17.3	Excess workers' compensation.....	.0	.0	.0	.0
18.1	Products liability-occurrence .....	.1,964	.708	.807	.1,864
18.2	Products liability-claims-made .....	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability .....	.11,223,373	.2,786,232	.2,891,997	.11,117,608
19.3,19.4	Commercial auto liability .....	.3,020,728	.1,112,198	.1,448,357	.2,684,570
21.	Auto physical damage .....	.9,306,324	.2,415,525	.2,663,395	.9,058,454
22.	Aircraft (all perils) .....	.0	.0	.0	.0
23.	Fidelity .....	.0	.0	.0	.0
24.	Surety .....	.0	.0	.0	.0
26.	Burglary and theft .....	.1,276	.527	.293	.1,511
27.	Boiler and machinery .....	.0	.0	.0	.0
28.	Credit .....	.0	.0	.0	.0
29.	International .....	.0	.0	.0	.0
30.	Warranty .....	.0	.0	.0	.0
31.	Reinsurance-nonproportional assumed property .....	.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	39,893,321	14,497,132	15,696,006	38,694,447
DETAILS OF WRITE-INS					
3401.	.....	.0	.0	.0	.0
3402.	.....	.0	.0	.0	.0
3403.	.....	.0	.0	.0	.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	.0	.0	.0	.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	302,793				302,793
2.	Allied lines	169,094				169,094
3.	Farmowners multiple peril	353,127				353,127
4.	Homeowners multiple peril	4,923,492				4,923,492
5.	Commercial multiple peril	1,862,832				1,862,832
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	155,539				155,539
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	47,509				47,509
13.	Group accident and health					0
14.	Credit accident and health (group and individual) ...					0
15.	Other accident and health					0
16.	Workers' compensation	541,634				541,634
17.1	Other liability-occurrence	335,081				335,081
17.2	Other liability-claims-made	57				57
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	807				807
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	2,891,997				2,891,997
19.3,19.4	Commercial auto liability	1,448,357				1,448,357
21.	Auto physical damage	2,663,395				2,663,395
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	293				293
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance-nonproportional assumed property					0
32.	Reinsurance-nonproportional assumed liability					0
33.	Reinsurance-nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	15,696,006	0	0	0	15,696,006
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					15,696,006
DETAILS OF WRITE-INS						
3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire	3,365,410	533,171	26,007	3,193,145	198,271	533,171
2.	Allied lines	2,236,722	295,599	21,281	2,120,116	137,886	295,599
3.	Farmowners multiple peril		691,471				691,471
4.	Homeowners multiple peril	50,102,381	8,703,012	42,121	47,428,485	2,716,017	8,703,012
5.	Commercial multiple peril		3,774,435				3,774,435
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	943,025	285,218		882,444	60,581	285,218
10.	Financial guaranty						0
11.1	Medical professional liability-occurrence						0
11.2	Medical professional liability-claims-made						0
12.	Earthquake	562,699	83,607		523,170	39,529	83,607
13.	Group accident and health		3,399				3,399
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation	2,662,773	1,341,931		2,428,780	233,993	1,341,931
17.1	Other liability-occurrence	1,091,696	627,605		1,091,696		627,605
17.2	Other liability-claims-made		208				208
17.3	Excess workers' compensation						0
18.1	Products liability-occurrence		1,964				1,964
18.2	Products liability-claims-made						0
19.1,19.2	Private passenger auto liability	56,399,782	11,223,373		56,234,208	165,574	11,223,373
19.3,19.4	Commercial auto liability	8,114,408	3,020,728	9,557	8,106,199	17,766	3,020,728
21.	Auto physical damage	39,300,979	9,306,324	1,127	38,907,892	394,214	9,306,324
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft		1,276				1,276
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance-nonproportional assumed property	XXX					0
32.	Reinsurance-nonproportional assumed liability	XXX					0
33.	Reinsurance-nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	164,779,874	39,893,321	100,092	160,916,136	3,963,831	39,893,321
DETAILS OF WRITE-INS							
3401.	.....						0
3402.	.....						0
3403.	.....						0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 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 TRUSTGARD INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	1,523,653	260,191	1,542,145	241,699	43,855	34,738	250,816	49.0
2.	Allied lines	530,305	86,801	542,342	74,764	28,254	29,120	73,898	26.0
3.	Farmowners multiple peril		347,368		347,368	125,431	139,794	333,004	50.5
4.	Homeowners multiple peril	26,039,381	4,450,175	26,065,771	4,423,786	1,071,252	993,556	4,501,482	53.9
5.	Commercial multiple peril		1,728,834		1,728,834	2,256,384	2,295,005	1,690,212	46.3
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	285,068	107,353	285,068	107,353	36,742	30,678	113,417	39.5
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability-occurrence				0	0	0	0	0.0
11.2	Medical professional liability-claims-made				0	0	0	0	0.0
12.	Earthquake				0	0	0	0	0.0
13.	Group accident and health		5,509		5,509	22,439	21,648	6,300	185.4
14.	Credit accident and health (group and individual)				0	0	0	0	0.0
15.	Other accident and health				0	0	0	0	0.0
16.	Workers' compensation	2,509,885	651,408	2,509,885	651,408	1,314,152	1,247,986	717,573	53.0
17.1	Other liability-occurrence	1,000,000	261,140	1,000,000	261,140	687,066	434,429	513,776	80.1
17.2	Other liability-claims-made		(4,872)		(4,872)	10,223	10,280	(4,929)	(2,349.5)
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence		185		185	1,813	1,990	8	0.4
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	31,679,595	6,128,917	31,679,595	6,128,917	6,682,680	6,589,105	6,222,492	56.0
19.3,19.4	Commercial auto liability	2,778,946	1,134,211	2,780,982	1,132,175	2,432,682	1,896,604	1,668,252	62.1
21.	Auto physical damage	21,796,457	5,185,409	21,797,536	5,184,330	(10,195)	(69,763)	5,243,898	57.9
22.	Aircraft (all perils)				0	15	15	0	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety				0	1,024	1,024	0	0.0
26.	Burglary and theft				0	8	5	3	0.2
27.	Boiler and machinery				0	0	0	0	0.0
28.	Credit				0	0	0	0	0.0
29.	International				0	0	0	0	0.0
30.	Warranty				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines	XXX			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	88,143,291	20,342,628	88,203,325	20,282,594	14,703,824	13,656,216	21,330,203	55.1
DETAILS OF WRITE-INS									
3401.	.....				0	0	0	0	0.0
3402.	.....				0	0	0	0	0.0
3403.	.....				0	0	0	0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	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 TRUSTGARD INSURANCE COMPANY

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

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	101,136	23,931	103,426	21,641	124,591	23,327	125,704	43,855	23,675
2.	Allied lines	53,935	18,193	56,202	15,925	83,633	13,446	84,750	28,254	15,382
3.	Farmowners multiple peril		86,474		86,474		38,957		125,431	43,643
4.	Homeowners multiple peril	3,211,852	706,565	3,217,036	701,380	2,015,400	371,778	2,017,306	1,071,252	432,335
5.	Commercial multiple peril		1,131,438		1,131,438		1,124,945		2,256,384	1,256,790
6.	Mortgage guaranty .....				.0				.0	
8.	Ocean marine .....				.0				.0	
9.	Inland marine	19,446	31,265	19,446	31,265	18,397	5,476	18,397	36,742	8,604
10.	Financial guaranty .....				.0				.0	
11.1	Medical professional liability-occurrence .....				.0				.0	
11.2	Medical professional liability-claims-made .....				.0				.0	
12.	Earthquake .....				.0		.0		.0	203
13.	Group accident and health		22,439		22,439				(a) 22,439	77
14.	Credit accident and health (group and individual) .....				.0				.0	
15.	Other accident and health .....				.0				(a) .0	
16.	Workers' compensation	2,758,551	796,297	2,758,551	796,297	1,585,856	517,855	1,585,856	1,314,152	245,754
17.1	Other liability-occurrence	766,500	446,263	766,500	446,263	475,059	240,803	475,059	687,066	28,394
17.2	Other liability-claims-made		10,124		10,124		99		10,223	165
17.3	Excess workers' compensation .....				.0				.0	
18.1	Products liability-occurrence		952		952		861		1,813	951
18.2	Products liability-claims-made .....				.0				.0	
19.1,19.2	Private passenger auto liability	22,417,685	4,878,828	22,417,685	4,878,828	7,979,930	1,803,851	7,979,930	6,682,680	1,648,195
19.3,19.4	Commercial auto liability	1,842,681	1,406,910	1,845,142	1,404,449	2,002,129	1,029,885	2,003,782	2,432,682	360,373
21.	Auto physical damage	(1,415,985)	(276,320)	(1,415,985)	(276,320)	1,054,610	266,053	1,054,538	(10,195)	329,274
22.	Aircraft (all perils)		15		15				15	
23.	Fidelity .....				.0				.0	
24.	Surety		1,024		1,024				1,024	
26.	Burglary and theft .....				.0		.8		.8	.3
27.	Boiler and machinery .....				.0				.0	
28.	Credit .....				.0				.0	
29.	International .....				.0				.0	
30.	Warranty .....				.0				.0	
31.	Reinsurance-nonproportional assumed property	XXX			.0	XXX			.0	
32.	Reinsurance-nonproportional assumed liability	XXX			.0	XXX			.0	
33.	Reinsurance-nonproportional assumed financial lines	XXX			.0	XXX			.0	
34.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35.	TOTALS	29,755,800	9,284,400	29,768,003	9,272,197	15,339,604	5,437,345	15,345,323	14,703,824	4,393,818
DETAILS OF WRITE-INS										
3401.	.....				.0				.0	
3402.	.....				.0				.0	
3403.	.....				.0				.0	
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	3,487,509			3,487,509
1.2 Reinsurance assumed	1,158,473			1,158,473
1.3 Reinsurance ceded	3,487,509			3,487,509
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,158,473	0	0	1,158,473
2. Commission and brokerage:				
2.1 Direct, excluding contingent		22,642,220		22,642,220
2.2 Reinsurance assumed, excluding contingent		5,996,759		5,996,759
2.3 Reinsurance ceded, excluding contingent		22,642,220		22,642,220
2.4 Contingent-direct		2,679,663		2,679,663
2.5 Contingent-reinsurance assumed		718,542		718,542
2.6 Contingent-reinsurance ceded		2,679,663		2,679,663
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	6,715,301	0	6,715,301
3. Allowances to manager and agents	551	91,284		91,835
4. Advertising	438	80,944		81,382
5. Boards, bureaus and associations	34,964	72,800	244	108,008
6. Surveys and underwriting reports		417,231		417,231
7. Audit of assureds' records		14,877		14,877
8. Salary and related items:				
8.1 Salaries	1,810,765	2,175,095	40,772	4,026,631
8.2 Payroll taxes	120,635	177,685	4,671	302,991
9. Employee relations and welfare	583,507	798,767	25,721	1,407,994
10. Insurance	24,889	31,227	4,853	60,969
11. Directors' fees	19,430	33,215	723	53,368
12. Travel and travel items	84,093	85,292	1,624	171,008
13. Rent and rent items	93,739	21,168	212,367	327,275
14. Equipment	86,914	135,801		222,715
15. Cost or depreciation of EDP equipment and software	26,699	44,422		71,121
16. Printing and stationery	13,579	38,608	581	52,768
17. Postage, telephone and telegraph, exchange and express	82,968	268,506	8,768	360,242
18. Legal and auditing	12,618	32,562	341	45,521
19. Totals (Lines 3 to 18)	2,995,788	4,519,484	300,665	7,815,937
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		834,839		834,839
20.2 Insurance department licenses and fees		55,906		55,906
20.3 Gross guaranty association assessments		13,529		13,529
20.4 All other (excluding federal and foreign income and real estate)		12,823		12,823
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	917,097	0	917,097
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	420,793	642,447	79,355	1,142,595
25. Total expenses incurred	4,575,054	12,794,328	380,020	(a) 17,749,403
26. Less unpaid expenses-current year	4,393,818	2,543,631	4,166	6,941,616
27. Add unpaid expenses-prior year	4,088,515	2,090,007	4,166	6,182,688
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	4,269,751	12,340,705	380,020	16,990,475
DETAILS OF WRITE-INS				
2401. Software Expense.....	167,724	213,036	10,887	391,647
2402. Miscellaneous Expense.....	110,480	215,552	62,107	388,139
2403. Donations.....	11,568	13,968	380	25,917
2498. Summary of remaining write-ins for Line 24 from overflow page	131,021	199,891	5,980	336,892
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	420,793	642,447	79,355	1,142,595

(a) Includes management fees of \$ 8,958,532 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....183,900	.....176,520
1.1	Bonds exempt from U.S. tax	(a).....930,693	.....985,554
1.2	Other bonds (unaffiliated)	(a).....1,873,083	.....1,912,197
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....213	.....213
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....2,791	.....2,791
10.	Total gross investment income	2,990,681	3,077,276
11.	Investment expenses		(g).....380,020
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....380,020
17.	Net investment income (Line 10 minus Line 16)		2,697,255
DETAILS OF WRITE-INS			
0901.	Securities Lending Income.....	2,792	2,792
0902.	Miscellaneous Investment Income.....	(1)	(1)
0903.	.....	
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)	2,791	2,791
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$93,680 accrual of discount less \$596,722 amortization of premium and less \$164,383 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 \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax	139,127		139,127		
1.2	Other bonds (unaffiliated)	50,742		50,742		
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0		.....0
5.	Contract loans .....			.....0		
6.	Cash, cash equivalents and short-term investments .....			.....0	.....0	.....0
7.	Derivative instruments .....			.....0		
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	189,869	0	189,869	0	0
DETAILS OF WRITE-INS						
0901.	.....			.....0		
0902.	.....			.....0		
0903.	.....			.....0		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	2,000	0	(2,000)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,000	0	(2,000)
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.....	41,538	49,266	7,728
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	463	(1,181)	(1,644)
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
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.....	31,761	0	(31,761)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	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	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).....	75,762	48,085	(27,677)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	75,762	48,085	(27,677)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.		0	0
2502.		0	0
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

A. Accounting Practices

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

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 insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by daily 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 amortized cost, which approximates fair value.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks are stated at fair value 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.

(a) The Company owns 100% of the common stock of the following subsidiaries:

(i) T.G. Insurance Agency

- (4) The Company has no investments in preferred stocks.
- (5) The Company has no investments in mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower or amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
- (7) See Note 1.C.(3) for accounting policies with respect to investments in affiliated companies.
- (8) The company has no ownership interests in joint ventures, partnerships and limited liability companies.
- (9) The Company has no investments in derivative instruments.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (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 liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not have pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS
NONE

3. BUSINESS COMBINATIONS AND GOODWILL
NONE

4. DISCONTINUED OPERATIONS
NONE

5. INVESTMENTS

A. MORTGAGE LOANS
NONE

B.DEBT RESTRUCTURING
NONE

C. REVERSE MORTGAGES
NONE

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

D. LOAN-BACKED SECURITIES

- 1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with the current interest rate and economic environment.
- 2) NONE
- 3) NONE
- 4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.

Aggregate Amount of Unrealized Losses:		
1	Less than 12 Months	(150,468)
2	Greater than 12 Months	(44,884)

b.

The aggregate related fair value of securities with unrealized losses:		
1	Less than 12 Months	6,545,331
2	Greater than 12 Months	602,864

- 5) According to SSAP 43R, the best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

E. REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

1. NONE
2. NONE
3. Collateral Received

a. Aggregate Amount Cash Collateral Received

1. NONE

2. Securities Lending

	Fair Value
Open	1,636,875
30 Days or Less	0
31 to 60 Days	0
61 to 90 Days	0
Greater than 90 Days	0
Sub-Total	1,636,875
Securities Received	0
Total Collateral Received	1,636,875

3. NONE

4. NONE
5. Collateral Reinvestment

b. Aggregate Amount Cash Collateral Reinvested

1. NONE

2. Securities Lending

	Amortized Cost	Fair Value
Open	1,636,873	1,636,894
30 Days or Less	0	0
31 to 60 Days	0	0
61 to 90 Days	0	0
Greater than 90 Days	0	0
Sub-Total	1,636,873	1,636,894
Securities Received	0	0
Total Collateral Reinvested	1,636,873	1,636,894

3. NONE

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- F. REAL ESTATE
NONE
- G. LOW INCOME HOUSING TAX CREDITS
NONE
- H. RESTRICTED ASSETS

	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown										
b. Collateral held under security lending agreements	1,636,873				1,636,873	4,549,370	(2,912,497)	1,636,873	1.7%	1.7%
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale										
i. On deposit with states	2,434,779				2,434,779	2,475,820	(41,041)	2,434,779	2.5%	2.5%
j. On deposit with other regulatory bodies										
k. Pledged as collateral not captured in other categories										
l. Other restricted assets										
m. Total Restricted Assets	4,071,652				4,071,652	7,025,190	(2,953,538)	4,071,652	4.2%	4.2%

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
NONE
7. INVESTMENT INCOME

NONE EXCLUDED
8. DERIVATIVE INSTRUMENTS
NONE

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

9. FEDERAL INCOME TAXES

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

1.

12/31/2013			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	
(a) Gross Deferred Tax Assets	\$.....1,578,412	\$0	\$ 1,578,412
(b) Statutory Valuation Allowance Adjustments	\$.....0	\$0	\$0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$.....1,578,412	\$0	\$ 1,578,412
(d) Deferred Tax Assets Nonadmitted	\$..... 31,761	\$0	\$ 31,761
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$.....1,546,651	\$0	\$ 1,546,651
(f) Deferred Tax Liabilities	\$..... 95,575	\$0	\$ 95,575
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....1,451,076	\$0	\$ 1,451,076

12/31/2012			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Gross Deferred Tax Assets	\$.....1,484,050	\$0	\$ 1,484,050
(b) Statutory Valuation Allowance Adjustments	\$.....0	\$0	\$0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$.....1,484,050	\$0	\$ 1,484,050
(d) Deferred Tax Assets Nonadmitted	\$.....0	\$0	\$0
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$.....1,484,050	\$0	\$ 1,484,050
(f) Deferred Tax Liabilities	\$.....182,318	\$0	\$ 182,318
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....1,301,732	\$0	\$ 1,301,732

Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
(a) Gross Deferred Tax Assets	\$..... 94,362	\$0	\$ 94,362
(b) Statutory Valuation Allowance Adjustments	\$.....0	\$0	\$0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$..... 94,362	\$0	\$ 94,362
(d) Deferred Tax Assets Nonadmitted	\$..... 31,761	\$0	\$ 31,761
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$..... 62,601	\$0	\$ 62,601
(f) Deferred Tax Liabilities	\$.....(86,743)	\$0	\$ (86,743)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....149,344	\$0	\$ 149,344

2.

12/31/2013			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....1,367,825	\$0	\$ 1,367,825
(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)	\$..... 83,251	\$0	\$ 83,251
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$..... 83,251	\$0	\$ 83,251
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	<u>XXX</u>	<u>XXX</u>	\$ 6,847,620
(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.	\$..... 95,575	\$0	\$ 95,575
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$.....1,546,651	\$0	\$ 1,546,651

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

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.	\$.....1,316,412	\$0	\$ 1,316,412
(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)	\$..... 93,295	\$0	\$ 93,295
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$..... 93,295	\$0	\$ 93,295
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$ 7,238,145
(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.	\$..... 74,343	\$0	\$ 74,343
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
	Total (2(a) + 2(b) + 2(c))	\$.....1,484,050	\$0	\$ 1,484,050

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.	\$..... 51,413	\$0	\$ 51,413
(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)	\$..... (10,044)	\$0	\$ (10,044)
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$..... (10,044)	\$0	\$ (10,044)
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$(390,525)
(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.	\$..... 21,232	\$0	\$ 21,232
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
	Total (2(a) + 2(b) + 2(c))	\$..... 62,601	\$0	\$ 62,601

3.		2013	2012
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	.....2,766.300	..... 1,748.000
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$.....54,162,341	\$ 49,648,447

4.		12/31/2013	
		(1)	(2)
		Ordinary	Capital

Impact of Tax-Planning Strategies

(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)	..... 1,578,412	..... 0
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)	..... 1,546,651	..... 0
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	.....0	..... 0

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.	..... 1,484,050	..... 0
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	.....0	..... 0
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	..... 1,484,050	..... 0
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....0	..... 0

NOTES TO FINANCIAL STATEMENTS

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. | 94,362 | 0 |
| | 1. Adjusted Gross DTAs Amount From Note 9A1(c) | 0 | 0 |
| | 2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The
Impact Of Tax Planning Strategies | 62,601 | 0 |
| | 3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e) | 0 | 0 |
| (b) | Does the Company's tax-planning strategies include the use of reinsurance? | Yes | No..... X |
| B. | Temporary differences for which a DTL has not been established:
NONE | | |
| 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 | \$.....2,073,847 | \$.....1,710,526 | \$.....363,321 |
| (b) | Foreign | \$.....0 | \$.....0 | \$.....0 |
| (c) | Subtotal | \$.....2,073,847 | \$.....1,710,526 | \$.....363,321 |
| (d) | Federal income tax on net capital gains | \$.....66,454 | \$.....65,219 | \$.....1,235 |
| (e) | Utilization of capital loss carry-forwards | \$.....0 | \$.....0 | \$.....0 |
| (f) | Other | \$.....37,383 | \$.....642 | \$.....36,741 |
| (g) | Federal and foreign income taxes incurred | \$.....2,177,684 | \$.....1,776,387 | \$.....401,297 |
| 2. | Deferred Tax Assets: | | | |
| (a) | Ordinary | | | |
| (1) | Discounting of unpaid losses | \$.....403,393 | \$.....452,421 | \$.....(49,028) |
| (2) | Unearned premium reserve | \$.....1,159,619 | \$.....1,014,799 | \$.....144,820 |
| (3) | Policyholder reserves | \$.....0 | \$.....0 | \$.....0 |
| (4) | Investments | \$.....0 | \$.....0 | \$.....0 |
| (5) | Deferred acquisition costs | \$.....0 | \$.....0 | \$.....0 |
| (6) | Policyholder dividends accrual | \$.....0 | \$.....0 | \$.....0 |
| (7) | Fixed assets | \$.....0 | \$.....0 | \$.....0 |
| (8) | Compensation and benefits accrual | \$.....0 | \$.....0 | \$.....0 |
| (9) | Pension accrual | \$.....0 | \$.....0 | \$.....0 |
| (10) | Receivables - nonadmitted | \$.....15,400 | \$.....16,830 | \$.....(1,430) |
| (11) | Net operating loss carry-forward | \$.....0 | \$.....0 | \$.....0 |
| (12) | Tax credit carry-forward | \$.....0 | \$.....0 | \$.....0 |
| (13) | Other (including items <5% of total ordinary tax assets) | \$.....0 | \$.....0 | \$.....0 |
| (99) | Subtotal | \$.....1,578,412 | \$.....1,484,050 | \$.....94,362 |
| (b) | Statutory valuation allowance adjustment | \$.....0 | \$.....0 | \$.....0 |
| (c) | Nonadmitted | \$.....31,761 | \$.....0 | \$.....31,761 |
| (d) | Admitted ordinary deferred tax assets (2a99 - 2b - 2c) | \$.....1,546,651 | \$.....1,484,050 | \$.....62,601 |
| (e) | Capital: | | | |
| (1) | Investments | \$.....0 | \$.....0 | \$.....0 |
| (2) | Net capital loss carry-forward | \$.....0 | \$.....0 | \$.....0 |
| (3) | Real estate | \$.....0 | \$.....0 | \$.....0 |
| (4) | Other (including items <5% of total capital tax assets) | \$.....0 | \$.....0 | \$.....0 |
| (99) | Subtotal | \$.....0 | \$.....0 | \$.....0 |
| (f) | Statutory valuation allowance adjustment | \$.....0 | \$.....0 | \$.....0 |
| (g) | Nonadmitted | \$.....0 | \$.....0 | \$.....0 |
| (h) | Admitted capital deferred tax assets (2e99 - 2f - 2g) | \$.....0 | \$.....0 | \$.....0 |
| (i) | Admitted deferred tax assets (2d + 2h) | \$.....1,546,651 | \$.....1,484,050 | \$.....62,601 |
| 3. | Deferred Tax Liabilities: | | | |
| (a) | Ordinary | | | |
| (1) | Investments | \$.....81,565 | \$.....165,979 | \$.....(84,414) |
| (2) | Fixed assets | \$.....0 | \$.....0 | \$.....0 |
| (3) | Deferred and uncollected premium | \$.....0 | \$.....0 | \$.....0 |
| (4) | Policyholder reserves | \$.....14,010 | \$.....16,339 | \$.....(2,329) |
| (5) | Other (including items<5% of total ordinary tax liabilities) | \$.....0 | \$.....0 | \$.....0 |
| (99) | Subtotal | \$.....95,575 | \$.....182,318 | \$.....(86,743) |

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

(b)	Capital:			
(1)	Investments	\$ 0	\$0	\$0
(2)	Real estate	\$ 0	\$0	\$0
(3)	Other (including items <5% of total capital tax liabilities)	\$ 0	\$0	\$0
	(99) Subtotal	\$ 0	\$0	\$0
(c)	Deferred tax liabilities (3a99 + 3b99)	\$ 95,575	\$ 182,318	\$ (86,743)
4.	Net deferred tax assets/liabilities (2i - 3c)	\$ 1,451,076	\$ 1,301,732	\$ 149,344
D.	Reconciliation of federal income tax rate to actual effective rate:			

The provision for federal income taxed incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	Amount	Tax Effect	Effective Tax Rate
1. Description:			
(a) Income Before Taxes	\$6,538,149	\$2,288,352	35.00%
(b) Tax-Exempt Interest	\$(985,554)	\$ (344,944)	(5.28%)
(c) Dividends Received Deduction	\$ 0	\$0	0.00%
(d) Proration	\$147,833	\$ 51,742	0.79%
(e) Meals & Entertainment	\$ 0	\$0	0.00%
(f) Statutory Valuation Allowance	\$ 0	\$0	0.00%
(g) Foreign Taxes	\$ 0	\$0	0.00%
(h) Other, Including Prior Year True-up	\$ 4,083	\$358	0.02%
Total	\$5,704,511	\$ 1,996,579	30.54%
2. Description:			
(a) Federal Income Tax Incurred [Expense/(Benefit)]		\$2,11,230	32.29%
(b) Tax on Capital Gains/(Losses)		\$ 66,454	1.02%
(c) Change in Net Deferred Income Tax [Charge/(Benefit)]		\$ (181,105)	(2.77%)
Total		\$ 1,996,579	30.54%

E. Carryforwards, recoverable taxes, and IRC S6603 deposits:

1.

At December 31, 2013, the Company had net operating loss carry forwards of:

\$0

At December 31, 2013, the Company had capital loss carry forwards of:

\$0

At December 31, 2013, the Company had AMT credit carry forwards, which do not expire, in the amount of:

\$0

2.

The following is income tax expense that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2011	\$ 0	\$0	\$0
2012	\$1,747,909	\$65,219	\$ 1,813,128
2013	\$2,073,847	\$66,454	\$ 2,140,301
Total	\$3,821,756	\$131,673	\$ 3,953,429

3.

Deposits admitted under IRC S6603:

NONE

F.	The Company’s federal income tax return is consolidated with the following entities:
1.	Grange Mutual Casualty Company
2.	The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate company basis with current credit for losses.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A.	Relationship with Parent, Subsidiaries and Affiliates
1.	The Company is a 100% owned subsidiary of Grange Mutual Casualty Company (GMCC), an insurance company domiciled in the State of Ohio, and a member of the Grange Mutual Casualty Group.
2.	The Company owns 100% of the shares of T.G. Insurance Agency, a non-insurance subsidiary further discussed in L. below.
B.	Descriptions of transactions with Parent, Subsidiaries and Affiliates
	NONE
C.	Amounts of transactions with Parent, Subsidiaries and Affiliates
	NONE
D.	Amounts due from or to related parties
	At December 31, 2013, the Company reported \$1.3 million as amounts due from GMCC. The terms of the settlement require that these amounts be settled within 45 days.
E.	Guarantees or Contingencies for Related Parties
	NONE
F.	Description of material management or service contracts
	The Company maintains a service agreement with GMCC, whereby GMCC provides service for the Company and makes available all services necessary to support its business operations. These services include all necessary financial, actuarial, audit, accounting, tax, information technology, records management and legal and compliance services, other than those provided by third party service providers.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- G. Nature of the control relationship
The Company participates in a pooling reinsurance agreement detailed in Note 26.
- H. Amount Deducted for Investment in Upstream Company
NONE
- I. Investments in Affiliates Greater than 10% of Admitted Assets
NONE
- J. The Company did not recognize any impairment write down for investments in Subsidiary, Controlled or Affiliated Companies during the period.
- K. The Company does not have investments in a foreign insurance subsidiary.
- L. The Company's Investment in a Downstream Noninsurance Company
As stated above, the Company owns 100% of T.G. Insurance Agency, a noninsurance subsidiary. This company has had no activity during the periods covered by these financial statements. It is expected this subsidiary will be dissolved in the first quarter of 2014, and as a result, the carrying value of \$2,000 has been non-admitted.

11. DEBT
NONE

12. RETIREMENT PLANS AND DEFERRED COMPENSATION

All employees are employed by Grange Mutual Casualty Company and participate in the pension and other benefit plans of GMCC. Annual costs are shared via the pooling arrangement.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUSAI-REORGANIZATIONS

- 1. The Company has 2,000,000 shares authorized, 2,000,000 shares issued and 2,000,000 shares outstanding. All shares are Class A shares.
- 2. The Company has no preferred stock outstanding.
- 3. The Company doesn't pay dividends to its policyholders. Dividends recorded in these financial statements were paid by other companies within the Grange Mutual Casualty Group.
- 4. No dividends were paid by the Company.
- 5. The Company doesn't pay dividends to its policyholders.
- 6. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 7. No advances to surplus were made.
- 8. No amounts of stock were held by the Company.
- 9. No special surplus funds are held.
- 10. The Company has no unrealized gains.
- 11. The Company has no surplus notes.
- 12. There has not been any restatements due to prior quasi-reorganizations
- 13. There has been no quasi-reorganization in the past 10 years.

14. CONTINGENCIES

- A. Contingent Commitments
NONE
- B. Assessments
Guaranty Fund Assessments are recorded by the parent, Grange Mutual Casualty Company.
- C. Gain Contingencies
NONE
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits
NONE
- E. Product Warranties
NONE
- F. All Other Contingencies
Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. LEASES
NONE

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

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

- A. NONE
- B. Transfer and Servicing of Financial Assets
 - 1) None
 - 2) The Company participates in a securities lending program with JPMorgan Chase Bank as lending agent. Securities on loan as of December 31, 2013 were fixed income bonds, totaling \$1.6 million. Collateral received from lending activities is maintained in accordance to the securities lending agreement, whereby the collateral requirement shall be an amount equal to 102% of the then current market value of the relevant loaned securities where securities and collateral are denominated in the same currency, and 105% for all other securities. The Company's lending agent, JPMorgan Chase Bank, reinvests the cash collateral according to investment guidelines outlined in the securities lending agreement and is reported on-balance sheet. Collateral received in the form of securities are restricted and off-balance sheet. The Company is not able to sell or reinvest the securities received as collateral and according to the MLSA, the borrower bears all the risk associated with said securities.
- C. NONE

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.
NONE

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS
NONE

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

20. FAIR VALUE MEASUREMENTS

- A. All assets and liabilities of the Company are measured and reported at cost or amortized cost in accordance with footnote 1 above.
- 1. NONE
 - 2. NONE
 - 3. The Company’s policy is to recognize transfers in and out as of the end of the reporting period.
 - 4. As of December 31, 2013, the reported fair value of the Company’s investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows: According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. As of December 31, 2013, the Company did not own bonds rated NAIC 3 thru 6 and therefore did not report any securities at fair value.
- C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (CV)
Bonds	84,747,701	82,546,499	8,070,525	76,677,176	0	0
Common Stock	2,000	2,000	0	0	0	2,000
Perpetual Preferred	0	0	0	0	0	0
Other Invested Asset	0	0	0	0	0	0
Money Market	0	0	0	0	0	0
TOTAL	84,749,701	82,548,499	8,070,525	76,677,176	0	2,000

- D. Not Practicable to Estimate Fair Value

Type of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Bonds				
Common Stock	2,000	N/A	N/A	Non-insurance Subsidiary
Perpetual Preferred				
Other Invested Asset				
Money Market				
TOTAL	2,000			

21. OTHER ITEMS

- A. Extraordinary Items
NONE
- B. Troubled Debt Restructuring
NONE
- C. Other Disclosures
NONE
- D. Business Interruption Insurance Recoveries
NONE
- E. State Transferable and Non-transferable Tax Credits
NONE
- F. Subprime-Mortgage-Related Risk Exposure
- 1. Management’s Definition of Exposure to Subprime Mortgage Related Risk
Management defines “subprime” mortgage loans as mortgage loans that are originated with an inherently higher risk profile or have a loan structure that is distinctly different from that of traditional mortgage loans. Management considers the following factors in determining whether or not a mortgage represents a subprime risk: borrowers with low credit ratings (FICO score); unconventionally high initial loan-to-value ratios (LTVs); unconventionally structured loans (option pay adjustable rate mortgages or negative amortizing loans); unconventionally high interest rates; and less than conventional documentation of the borrower’s income and/or assets.
 - 2. The Company has no direct exposure through investments in subprime mortgage loans
 - 3. Estimated Direct Exposure to Subprime Mortgage Risk Through Other Investments
Management considers the Company's holdings in securities with underlying subprime exposure to be minimal. The majority of residential mortgage backed securities (RMBS) in the portfolio are issued by government-sponsored enterprises (GSEs). The Company did not own securities with collateral that contain subprime characteristics based on low credit (FICO scores less than 620) and/or high LTVs. The Company's bond portfolio does not include any positions in collateralized debt obligations (CDOs) on a direct basis. On a quarterly basis, management reviews all loan-backed and structured securities with an unrealized loss position according to SSAP 43-R. The best estimate of future cash flows using the appropriate discount rate is calculated for each affected security. To assist in this effort, a brokerage firm provides forward-looking assumptions for default rates, voluntary prepayment speeds, and loss severities on a majority of the securities governed by SSAP 43R. The outcomes of this process assure that anticipated cash flows will not be less than the carrying value subsequent to other-than-temporary impairments. As of December 31, 2013, management estimates there were no unrealized losses present due to subprime mortgage exposure.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	0	0	0	0
b. Commercial mortgage-backed securities	0	0	0	0
c. Collateralized debt obligations	0	0	0	0
d. Structured securities	0	0	0	0
e. Equity investment in SCAs *	0	0	0	0
f. Other assets	0	0	0	0
g. Total	0	0	0	0

4. The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage.

22. EVENTS SUBSEQUENT

There have been no events, which have occurred subsequent to the filing of this statement, which have a material effect upon the financial condition of the Company.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

23. REINSURANCE

A. UNSECURED REINSURANCE RECOVERABLES
None exceed 3% of Surplus

B. REINSURANCE RECOVERABLE IN DISPUTE
NONE

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium	Commission	Premium	Commission	Premium	Commission
		Reserve	Equity	Reserve	Equity	Reserve	Equity
a.	Affiliates	15,696,006	2,825,281	60,671,369	10,920,846	(44,975,363)	(8,095,565)
b.	All Other	58,052	10,449	34,190	6,154	23,862	4,295
c.	TOTAL	15,754,058	2,835,730	60,705,558	10,927,000	(44,951,501)	(8,091,270)
d.	Direct Unearned Premium Reserve			60,647,506			
			<u>Direct</u>	<u>Assumed</u>	<u>Ceded</u>	<u>Net</u>	
2.	Contingent Commission		2,679,663	718,542	2,679,663	718,542	

D. UNCOLLECTIBLE REINSURANCE
NONE

E. COMMUTATION OF CEDED REINSURANCE
NONE

F. RETROACTIVE REINSURANCE
NONE

G. REINSURANCE ACCOUNTED FOR AS A DEPOSIT
NONE

H. DISCLOSURES FOR THE TRANSFER OF PROPERTY AND CASUALTY RUN-OFF AGREEMENTS
NONE

I. CERTIFIED REINSURER RATING DOWNGRADED OR STATUS SUBJECT TO REVOCATION
NONE

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION
NONE

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by (\$0.781) million from \$28.082 million in 2012 to \$27.301 million in 2013 as a result of re-estimation of unpaid losses and loss adjustment expenses principally on private passenger auto liability and homeowners lines of insurance. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Included in this increase (decrease), the Company experienced \$0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, since the business to which it relates is subject to premium adjustments, there was no significant impact on surplus.

LOSSES AND LAE	2013	2012
BALANCE JANUARY 1	28,082,004	26,832,749
LESS REINSURANCE RECOVERABLES	10,337,273	9,065,766
NET BALANCE JANUARY 1	17,744,731	17,766,983
INCURRED RELATED TO:		
CURRENT YEAR	26,686,214	26,512,303
PRIOR YEAR	(780,957)	(1,522,030)
TOTAL INCURRED	25,905,257	24,990,273
PAID RELATED TO:		
CURRENT YEAR	16,601,975	17,419,258
PRIOR YEAR	7,950,371	7,593,267
TOTAL PAID	24,552,346	25,012,525
NET BALANCE AT DECEMBER 31	19,097,642	17,744,731
PLUS REINSURANCE RECOVERABLES	12,387,047	10,337,273
BALANCE AT DECEMBER 31	31,484,689	28,082,004

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE
TRUSTGARD INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

26. INTERCOMPANY POOLING AGREEMENTS

		Pool	
		NAIC#	Share
		-----	-----
Lead Company:	Grange Mutual Casualty Company	14060	84.0%
Affiliate:	Trustgard Insurance Company	40118	3.5%
	Grange Indemnity Insurance Company	10322	4.0%
	Grange Insurance Company of Michigan	11136	2.5%
	Grange Property & Casualty Insurance Company	11982	2.0%
	Integrity Mutual Insurance Company	14303	3.3%
	Integrity Property & Casualty Insurance Company	12986	0.7%

All lines of business are subject to the pooling agreement, with no exceptions. All members of the pool are parties to all reinsurance treaties entered into by the group with non-affiliated reinsurers. There are no discrepancies between the reinsurance schedules of the lead company's and the reinsurance schedules of the other participants.

27. STRUCTURED SETTLEMENTS

NONE

28. HEALTH CARE RECEIVABLES

NONE

29. PARTICIPATING POLICIES

NONE

30. PREMIUM DEFICIENCY RESERVES

- A. Liability carried for Premium Deficiency Reserves is zero.
- B. Date of the most recent evaluation of this liability was 12/31/2013.
- C. Anticipated investment income was not utilized in this calculation.

31. HIGH DEDUCTIBLES

NONE

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

NONE

33. ASBESTOS/ENVIRONMENTAL RESERVES

NONE

34. SUBSCRIBER SAVINGS ACCOUNTS

NOT APPLICABLE

35. MULTIPLE PERIL CROP INSURANCE

NONE

36. FINANCIAL GUARANTY INSURANCE

NONE

37. CATASTROPHIC PLANNING

The Company utilizes a variety of catastrophe mitigation techniques including exposure management, catastrophe modeling, transfer of risk via reinsurance and claims staff preparation. Exposure management includes active management of exposures and loss potentials such as monitoring of changes in insured values, peril avoidance, pricing actions and/or agency realignments. The Company primarily relies on two probabilistic catastrophe models to identify PML and TVaR estimates on an annual basis. A deterministic model augments this effort. The Company has a comprehensive catastrophic reinsurance program in place and we currently purchase coverage well in excess of our 250+ year event outcome. The Company places an emphasis on settlement of claims by Company personnel and these associates receive ongoing training on property claims practices.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

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

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

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

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Ohio.....
- 2.1

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

Yes ☒ No ☐
- 2.2

If yes, date of change:

.....07/25/2013
- 3.1

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

.....12/31/2009
- 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.

.....12/31/2009
- 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).

.....10/25/2010
- 3.4

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

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

Yes ☐ No ☐ N/A ☒
- 3.6

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

Yes ☒ No ☐ N/A ☐
- 4.1

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

Yes ☐ No ☒
- 4.12 renewals?

Yes ☐ No ☒
- 4.2

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

Yes ☐ No ☒
- 4.22 renewals?

Yes ☐ No ☒
- 5.1

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

Yes ☐ No ☒
- 5.2

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

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

- 6.1

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

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

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

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Pricewaterhouse Coopers LLP, Columbus, Ohio.....

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?
Kenneth Lin, FCAS, MAAA, Officer of the Reporting Entity.....

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?

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 [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 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 \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 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 \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 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 [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....1,293,403

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
- On deposit with custodial account.....
- 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)
- See Notes to Financial Statement Number 17.....
- 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 [X] No [] NA []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....1,636,873
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 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 [X] No [] NA []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [X] No [] NA []
- 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 [X] No [] NA []
- 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 \$.....1,636,894
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....1,636,873
- 24.103 Total payable for securities lending reported on the liability page \$.....1,636,873

GENERAL INTERROGATORIES

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

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

25.21	Subject to repurchase agreements	\$.....
25.22	Subject to reverse repurchase agreements	\$.....
25.23	Subject to dollar repurchase agreements	\$.....
25.24	Subject to reverse dollar repurchase agreements	\$.....
25.25	Pledged as collateral	\$.....
25.26	Placed under option agreements	\$.....
25.27	Letter stock or securities restricted as to sale	\$.....
25.28	On deposit with state or other regulatory body	\$.....2,434,779
25.29	Other	\$.....

25.3 For category (25.27) provide the following:

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

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank, N.A.....	1111 Polaris Parkway, Columbus, OH 43240.....

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....
.....

GENERAL INTERROGATORIES

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

- 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
.....
.....
.....

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.....	82,546,499	84,575,854	2,029,355
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	82,546,499	84,575,854	2,029,355

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair values obtained primarily from Hub data, otherwise fair values from custodian statements are used.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 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:
- Yes [X] No []
- 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:
- Yes [X] No []

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 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
.....	\$.....
.....	\$.....
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$0
- 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
.....	\$.....
.....	\$.....
.....	\$.....

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

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only

\$.....0

1.3

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

\$.....

1.31

Reason for excluding

1.4

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

\$.....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....0

1.62

Total incurred claims

\$.....0

1.63

Number of covered 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

\$.....38,694,447

\$.....36,213,856

2.3

Premium Ratio (2.1/2.2)

.....0.000

.....0.000

2.4

Reserve Numerator

\$.....22,516

\$.....21,725

2.5

Reserve Denominator

\$.....34,793,649

\$.....32,241,835

2.6

Reserve Ratio (2.4/2.5)

.....0.001

.....0.001

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 [X] No []

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 [X]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

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

5.22

As a direct expense of the exchange

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

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 [X]

5.5

If yes, give full information

16

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- ## 16.1

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

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

Yes [] No [X]

11.2

If yes, give full information

12.1

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

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

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

\$

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):

\$2,000,000

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.

1

14.1

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

Yes [X] No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
See Notes to Financial Statement Number 26. Catastrophe Excess Loss Agreement allocated based on agreed percentage of participation

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 [X] No []

14.4

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

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

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)	84,494,025	78,877,005	83,227,234	98,556,372	105,273,266
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	56,962,443	52,284,471	54,721,512	65,275,805	70,634,982
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	63,313,420	57,893,367	54,101,860	56,513,717	55,076,169
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	3,399	3,855	3,701	4,833	6,713
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	204,773,287	189,058,698	192,054,307	220,350,727	230,991,130
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)	16,215,809	15,293,957	15,035,604	16,337,604	16,339,554
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	10,505,195	9,676,962	9,662,043	10,738,725	11,275,141
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	13,168,918	12,055,508	11,294,142	11,645,249	11,615,259
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	3,399	3,855	3,701	4,833	6,713
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	39,893,321	37,030,282	35,995,489	38,726,411	39,236,667
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(5,139)	(438,231)	(638,747)	(1,373,663)	(1,881,303)
14. Net investment gain (loss) (Line 11)	2,820,670	2,630,727	2,403,870	1,909,902	2,687,609
15. Total other income (Line 15)	3,769,544	3,887,456	4,433,428	6,087,345	5,433,626
16. Dividends to policyholders (Line 17)	113,380	110,206	106,883	113,247	103,569
17. Federal and foreign income taxes incurred (Line 19)	2,111,230	1,711,168	1,790,989	1,988,720	2,148,942
18. Net income (Line 20)	4,360,465	4,258,577	4,300,679	4,521,617	3,987,421
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	96,223,148	90,341,700	83,304,055	80,001,059	73,429,216
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	7,576,807	6,826,635	6,430,346	6,805,959	7,178,206
20.2 Deferred and not yet due (Line 15.2)	12,629	(7,818)	(6,577)	(8,888)	3,757
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	42,060,807	40,693,253	37,862,156	38,805,833	36,751,516
22. Losses (Page 3, Line 1)	14,703,824	13,656,216	13,813,860	14,146,196	13,984,334
23. Loss adjustment expenses (Page 3, Line 3)	4,393,818	4,088,515	3,953,123	4,263,628	4,286,812
24. Unearned premiums (Page 3, Line 9)	15,696,006	14,497,132	13,680,706	14,207,684	14,696,358
25. Capital paid up (Page 3, Lines 30 & 31)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	54,162,341	49,648,447	45,441,899	41,195,226	36,677,700
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	8,102,559	5,265,783	3,645,449	4,820,633	5,335,198
Risk-Based Capital Analysis					
28. Total adjusted capital	54,162,341	49,648,447	45,441,899	41,195,226	36,677,700
29. Authorized control level risk-based capital	2,901,404	2,844,629	2,694,814	2,879,932	3,032,174
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)	97.1	93.3	95.2	95.6	97.3
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	1.0	1.0	0.8	0.9	2.7
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)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	1.9	5.7	4.0	3.5	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)	2,000	2,000	2,000	2,000	2,000
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	2,000	2,000	2,000	2,000	2,000
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2013	2012	2011	2010	2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	0	0	0	84,260	(84,504)
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	4,513,893	4,206,548	4,246,673	4,517,526	4,212,098
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)	46,139,415	46,996,911	55,630,628	64,698,951	58,639,983
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	29,775,237	30,865,803	38,464,286	39,127,606	43,115,292
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	32,565,758	42,954,585	53,779,831	45,232,105	44,290,591
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	5,509	6,972	6,472	6,732	8,003
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	108,485,919	120,824,271	147,881,217	149,065,394	146,053,869
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)	8,168,952	7,950,726	8,775,753	9,571,412	9,205,923
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	5,608,146	5,450,506	5,903,258	6,108,832	6,300,146
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	6,499,987	7,758,218	7,593,608	8,127,781	7,812,690
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	5,509	6,972	6,472	6,732	8,003
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	20,282,594	21,166,423	22,279,091	23,814,757	23,326,762
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)	55.1	58.0	60.1	61.1	61.6
68. Loss expenses incurred (Line 3)	11.8	11.0	10.4	10.6	10.4
69. Other underwriting expenses incurred (Line 4)	33.1	32.2	31.3	31.8	32.9
70. Net underwriting gain (loss) (Line 8)	0.0	(1.2)	(1.7)	(3.5)	(4.9)
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)	22.6	21.0	19.4	16.4	18.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	66.9	69.0	70.5	71.7	72.0
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)	73.7	74.6	79.2	94.0	107.0
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(176)	(955)	(1,584)	(1,017)	(498)
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)	(0.4)	(2.1)	(3.8)	(2.8)	(1.5)
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)	(914)	(1,819)	(1,803)	(1,019)	(1,595)
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)	(2.0)	(4.4)	(4.9)	(3.1)	(5.6)

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

If no, please explain

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	50	36	28	5	1	0	8	38	XXX
2. 2004	36,233	1,213	35,020	17,905	255	903	6	2,733	1	1,021	21,279	XXX
3. 2005	36,772	1,342	35,430	17,458	175	813	22	2,687	0	1,015	20,761	XXX
4. 2006	38,271	1,586	36,685	19,858	899	738	3	3,119	0	1,011	22,813	XXX
5. 2007	39,759	1,355	38,404	21,894	890	753	6	2,962	1	1,183	24,712	XXX
6. 2008	39,286	1,816	37,470	24,819	2,812	781	37	3,198	2	1,115	25,948	XXX
7. 2009	40,484	2,042	38,442	23,610	675	660	3	3,201	0	1,210	26,793	XXX
8. 2010	41,210	1,994	39,215	23,677	735	617	0	3,373	0	1,353	26,931	XXX
9. 2011	38,719	2,196	36,522	23,854	3,244	520	14	3,276	0	1,174	24,392	XXX
10. 2012	38,246	2,032	36,214	19,312	982	265	4	2,996	1	1,022	21,586	XXX
11. 2013	40,576	1,882	38,694	13,942	207	102	1	2,766	0	632	16,602	XXX
12. Totals	XXX	XXX	XXX	206,379	10,910	6,180	102	30,314	6	10,745	231,855	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.	1,559	1,441	5	0	1	6	0	0	12	0	0	130	XXX
2.	3,056	3,014	2	0	0	0	11	0	7	0	3	62	XXX
3.	362	304	1	0	0	0	16	0	4	0	6	79	XXX
4.	666	595	3	0	0	0	25	0	5	0	9	103	XXX
5.	1,871	1,784	7	0	0	0	40	0	10	0	14	143	XXX
6.	445	235	12	0	0	0	58	0	22	0	22	302	XXX
7.	880	615	45	0	0	0	115	0	27	0	38	451	XXX
8.	2,084	1,336	99	13	0	0	225	0	60	0	60	1,118	XXX
9.	3,212	1,721	344	28	0	0	433	0	136	0	113	2,376	XXX
10.	3,115	899	1,071	43	0	0	754	0	250	0	204	4,248	XXX
11.	5,260	272	2,995	88	2	0	883	0	1,304	0	554	10,084	XXX
12.	22,508	12,215	4,583	172	4	6	2,560	0	1,836	0	1,021	19,098	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	123	7
2.	24,617	3,277	21,341	67.9	270.0	60.9	0	0	3.5	43	19
3.	21,341	501	20,840	58.0	37.3	58.8	0	0	3.5	59	20
4.	24,413	1,497	22,916	63.8	94.4	62.5	0	0	3.5	74	29
5.	27,537	2,681	24,855	69.3	197.8	64.7	0	0	3.5	94	49
6.	29,336	3,086	26,250	74.7	169.9	70.1	0	0	3.5	222	81
7.	28,538	1,293	27,245	70.5	63.3	70.9	0	0	3.5	309	142
8.	30,134	2,085	28,049	73.1	104.5	71.5	0	0	3.5	834	285
9.	31,775	5,007	26,768	82.1	228.0	73.3	0	0	3.5	1,807	569
10.	27,763	1,929	25,834	72.6	95.0	71.3	0	0	3.5	3,244	1,004
11.	27,254	568	26,686	67.2	30.2	69.0	0	0	3.5	7,895	2,190
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	14,704	4,394

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.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior	6,414	6,965	6,710	6,710	6,606	6,571	6,514	6,553	6,578	6,600	22	47
2. 2004	19,764	19,178	18,947	18,748	18,656	18,631	18,605	18,586	18,593	18,601	8	15
3. 2005	XXX	19,193	18,954	18,605	18,391	18,239	18,153	18,168	18,160	18,150	(10)	(18)
4. 2006	XXX	XXX	21,180	20,372	20,145	19,942	19,850	19,810	19,807	19,793	(14)	(17)
5. 2007	XXX	XXX	XXX	22,673	22,366	22,130	21,978	21,903	21,955	21,885	(71)	(19)
6. 2008	XXX	XXX	XXX	XXX	23,272	23,425	23,318	23,001	23,051	23,032	(19)	31
7. 2009	XXX	XXX	XXX	XXX	XXX	24,940	24,443	24,055	24,049	24,017	(32)	(38)
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	25,688	24,889	24,535	24,616	81	(273)
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,999	23,279	23,356	77	(642)
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,806	22,589	(217)	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,616	XXX	XXX
12. Totals											(176)	(914)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior	000	3,083	4,733	5,602	6,030	6,195	6,320	6,372	6,445	6,482	XXX	XXX
2. 2004	11,641	15,382	16,778	17,660	18,073	18,342	18,454	18,499	18,533	18,546	XXX	XXX
3. 2005	XXX	11,212	14,657	16,391	17,372	17,773	17,910	18,014	18,041	18,075	XXX	XXX
4. 2006	XXX	XXX	12,691	16,634	18,256	19,105	19,471	19,632	19,678	19,694	XXX	XXX
5. 2007	XXX	XXX	XXX	14,268	18,306	20,101	21,169	21,451	21,639	21,751	XXX	XXX
6. 2008	XXX	XXX	XXX	XXX	15,056	19,689	21,211	22,122	22,443	22,751	XXX	XXX
7. 2009	XXX	XXX	XXX	XXX	XXX	15,998	20,736	22,262	23,108	23,592	XXX	XXX
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	16,525	20,848	22,428	23,558	XXX	XXX
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,598	19,566	21,117	XXX	XXX
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,864	18,590	XXX	XXX
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,836	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013
1. Prior	2,420	1,719	393	441	252	157	60	19	12	5
2. 2004	4,340	1,941	540	422	223	117	49	25	16	13
3. 2005	XXX	3,723	1,299	893	421	201	80	40	32	17
4. 2006	XXX	XXX	3,183	1,862	878	362	152	72	57	28
5. 2007	XXX	XXX	XXX	3,958	1,900	832	342	147	103	47
6. 2008	XXX	XXX	XXX	XXX	3,830	1,745	732	303	173	70
7. 2009	XXX	XXX	XXX	XXX	XXX	4,096	1,837	725	287	160
8. 2010	XXX	XXX	XXX	XXX	XXX	XXX	4,248	1,673	733	310
9. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,840	1,523	748
10. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,791	1,782
11. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,790

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL N	0	0	0	0	0	0	0	
2. Alaska	AK N	0	0	0	0	0	0	0	
3. Arizona	AZ N	0	0	0	0	0	0	0	
4. Arkansas	AR N	0	0	0	0	0	0	0	
5. California	CA N	0	0	0	0	0	0	0	
6. Colorado	CO L	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 L	12,854,729	12,832,066	0	5,148,445	3,493,412	1,512,560	203,680	
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	22,516,675	23,024,692	0	15,822,768	14,923,069	9,100,903	359,357	
15. Indiana	IN L	30,558,555	28,871,402	0	16,659,034	17,531,216	5,784,657	671,275	
16. Iowa	IA L	0	0	0	0	0	0	0	
17. Kansas	KS L	0	0	0	0	0	0	0	
18. Kentucky	KY L	13,558,245	13,554,153	0	7,195,885	6,650,121	3,064,525	228,945	
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 L	0	0	0	0	0	0	0	
25. Mississippi	MS N	0	0	0	0	0	0	0	
26. Missouri	MO L	0	0	0	(1,147)	(1,147)	0	0	
27. Montana	MT N	0	0	0	0	0	0	0	
28. Nebraska	NE L	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 L	0	0	0	0	0	0	0	
36. Ohio	OH L	16,694,814	15,569,489	0	8,538,964	9,131,295	4,602,157	1,036,945	
37. Oklahoma	OK N	0	0	0	0	0	0	0	
38. Oregon	OR L	0	0	0	0	0	0	0	
39. Pennsylvania	PA L	21,554,590	21,039,822	0	11,118,421	11,943,374	7,842,764	405,233	
40. Rhode Island	RI N	0	0	0	0	0	0	0	
41. So. Carolina	SC L	8,264,171	7,212,768	0	4,228,854	5,117,529	3,365,131	154,474	
42. So. Dakota	SD L	0	0	0	0	0	0	0	
43. Tennessee	TN L	27,311,730	27,020,843	0	13,382,715	12,324,985	5,950,482	443,876	
44. Texas	TX L	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 L	11,466,365	9,879,936	0	6,049,351	5,988,408	3,872,225	228,760	
48. Washington	WA L	0	0	0	0	0	0	0	
49. West Virginia	WV N	0	0	0	0	0	0	0	
50. Wisconsin	WI L	0	0	0	0	0	0	0	
51. Wyoming	WY N	0	0	0	0	0	0	0	
52. American Samoa	AS N	0	0	0	0	0	0	0	
53. Guam	GU N	0	0	0	0	0	0	0	
54. Puerto Rico	PR N	0	0	0	0	0	0	0	
55. U.S. Virgin Islands	VI N	0	0	0	0	0	0	0	
56. Northern Mariana Islands	MP N	0	0	0	0	0	0	0	
57. Canada	CAN N	0	0	0	0	0	0	0	
58. Aggregate other alien	OT XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 21	164,779,874	159,005,171	0	88,143,291	87,102,263	45,095,405	3,732,545	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

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

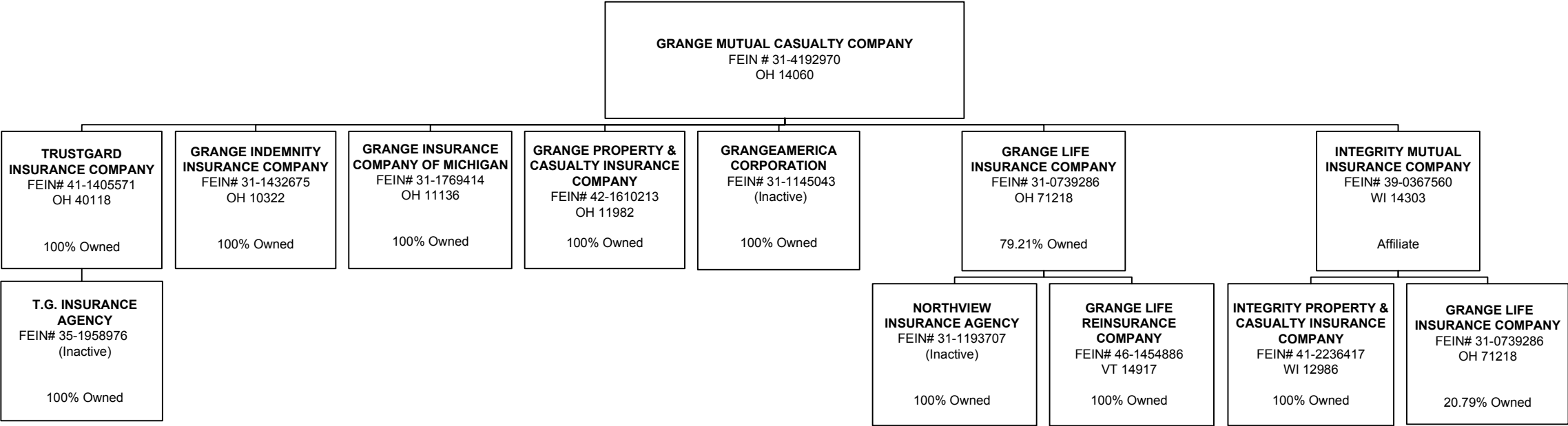
Location of the risk.

(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

96



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Assets	2
Cash Flow	5
Exhibit of Capital Gains (Losses)	12
Exhibit of Net Investment Income	12
Exhibit of Nonadmitted Assets	13
Exhibit of Premiums and Losses (State Page)	19
Five-Year Historical Data	17
General Interrogatories	15
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Notes To Financial Statements	14
Overflow Page For Write-Ins	100
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10
Schedule D – Part 1A – Section 1	SI05
Schedule D – Part 1A – Section 2	SI08
Schedule D – Part 2 – Section 1	E11
Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule DA – Verification Between Years	SI10
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E19
Schedule DB – Part A – Verification Between Years	SI11
Schedule DB – Part B – Section 1	E20
Schedule DB – Part B – Section 2	E21
Schedule DB – Part B – Verification Between Years	SI11
Schedule DB – Part C – Section 1	SI12
Schedule DB – Part C – Section 2	SI13
Schedule DB – Part D – Section 1	E22
Schedule DB – Part D – Section 2	E23
Schedule DB – Verification	SI14
Schedule DL – Part 1	E24
Schedule DL – Part 2	E25
Schedule E – Part 1 – Cash	E26
Schedule E – Part 2 – Cash Equivalents	E27
Schedule E – Part 3 – Special Deposits	E28
Schedule E – Verification Between Years	SI15
Schedule F – Part 1	20
Schedule F – Part 2	21
Schedule F – Part 3	22
Schedule F – Part 4	23
Schedule F – Part 5	24
Schedule F – Part 6 – Section 1	25
Schedule F – Part 6 – Section 2	26
Schedule F – Part 7	27
Schedule F – Part 8	28
Schedule F – Part 9	29
Schedule H – Accident and Health Exhibit – Part 1	30
Schedule H – Part 2, Part 3, and Part 4	31
Schedule H – Part 5 – Health Claims	32
Schedule P – Part 1 – Summary	33
Schedule P – Part 1A – Homeowners/Farmowners	35
Schedule P – Part 1B – Private Passenger Auto Liability/Medical	36
Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	37
Schedule P – Part 1D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	38

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 1E – Commercial Multiple Peril	39
Schedule P – Part 1F – Section 1 – Medical Professional Liability – Occurrence	40
Schedule P – Part 1F – Section 2 – Medical Professional Liability – Claims-Made	41
Schedule P – Part 1G – Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery)	42
Schedule P – Part 1H – Section 1 – Other Liability–Occurrence	43
Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	44
Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45
Schedule P – Part 1J – Auto Physical Damage	46
Schedule P – Part 1K – Fidelity/Surety	47
Schedule P – Part 1L – Other (Including Credit, Accident and Health)	48
Schedule P – Part 1M – International	49
Schedule P – Part 1N – Reinsurance – Nonproportional Assumed Property	50
Schedule P – Part 1O – Reinsurance – Nonproportional Assumed Liability	51
Schedule P – Part 1P – Reinsurance – Nonproportional Assumed Financial Lines	52
Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	53
Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	54
Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	55
Schedule P – Part 1T – Warranty	56
Schedule P – Part 2, Part 3 and Part 4 – Summary	34
Schedule P – Part 2A – Homeowners/Farmowners	57
Schedule P – Part 2B – Private Passenger Auto Liability/Medical	57
Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	57
Schedule P – Part 2D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	57
Schedule P – Part 2E – Commercial Multiple Peril	57
Schedule P – Part 2F – Section 1 – Medical Professional Liability – Occurrence	58
Schedule P – Part 2F – Section 2 – Medical Professional Liability – Claims – Made	58
Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	58
Schedule P – Part 2H – Section 1 – Other Liability – Occurrence	58
Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	58
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59
Schedule P – Part 2J – Auto Physical Damage	59
Schedule P – Part 2K – Fidelity, Surety	59
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	59
Schedule P – Part 2M – International	59
Schedule P – Part 2N – Reinsurance – Nonproportional Assumed Property	60
Schedule P – Part 2O – Reinsurance – Nonproportional Assumed Liability	60
Schedule P – Part 2P – Reinsurance – Nonproportional Assumed Financial Lines	60
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	61
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	61
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	61
Schedule P – Part 2T – Warranty	61
Schedule P – Part 3A – Homeowners/Farmowners	62

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 3B – Private Passenger Auto Liability/Medical	62
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	62
Schedule P – Part 3D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	62
Schedule P – Part 3E – Commercial Multiple Peril	62
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	63
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	63
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	63
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	63
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64
Schedule P – Part 3J – Auto Physical Damage	64
Schedule P – Part 3K – Fidelity/Surety	64
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	64
Schedule P – Part 3M – International	64
Schedule P – Part 3N – Reinsurance – Nonproportional Assumed Property	65
Schedule P – Part 3O – Reinsurance – Nonproportional Assumed Liability	65
Schedule P – Part 3P – Reinsurance – Nonproportional Assumed Financial Lines	65
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	66
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	66
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	66
Schedule P – Part 3T – Warranty	66
Schedule P – Part 4A – Homeowners/Farmowners	67
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	67
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	67
Schedule P – Part 4D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	67
Schedule P – Part 4E – Commercial Multiple Peril	67
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	68
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	68
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	68
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	68
Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	69
Schedule P – Part 4J – Auto Physical Damage	69
Schedule P – Part 4K – Fidelity/Surety	69
Schedule P – Part 4L – Other (Including Credit, Accident and Health)	69
Schedule P – Part 4M – International	69
Schedule P – Part 4N – Reinsurance – Nonproportional Assumed Property	70
Schedule P – Part 4O – Reinsurance – Nonproportional Assumed Liability	70
Schedule P – Part 4P – Reinsurance – Nonproportional Assumed Financial Lines	70
Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	71
Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	71

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	71
Schedule P – Part 4T – Warranty	71
Schedule P – Part 5A – Homeowners/Farmowners	72
Schedule P – Part 5B – Private Passenger Auto Liability/Medical	73
Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	74
Schedule P – Part 5D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	75
Schedule P – Part 5E – Commercial Multiple Peril	76
Schedule P – Part 5F – Medical Professional Liability – Claims-Made	78
Schedule P – Part 5F – Medical Professional Liability – Occurrence	77
Schedule P – Part 5H – Other Liability – Claims-Made	80
Schedule P – Part 5H – Other Liability – Occurrence	79
Schedule P – Part 5R – Products Liability – Claims-Made	82
Schedule P – Part 5R – Products Liability – Occurrence	81
Schedule P – Part 5T – Warranty	83
Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	84
Schedule P – Part 6D – Workers’ Compensation (Excluding Excess Workers’ Compensation)	84
Schedule P – Part 6E – Commercial Multiple Peril	85
Schedule P – Part 6H – Other Liability – Claims-Made	86
Schedule P – Part 6H – Other Liability – Occurrence	85
Schedule P – Part 6M – International	86
Schedule P – Part 6N – Reinsurance – Nonproportional Assumed Property	87
Schedule P – Part 6O – Reinsurance – Nonproportional Assumed Liability	87
Schedule P – Part 6R – Products Liability – Claims-Made	88
Schedule P – Part 6R – Products Liability – Occurrence	88
Schedule P – Part 7A – Primary Loss Sensitive Contracts	89
Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	91
Schedule P Interrogatories	93
Schedule T – Exhibit of Premiums Written	94
Schedule T – Part 2 – Interstate Compact	95
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule Y – Part 1A – Detail of Insurance Holding Company System	97
Schedule Y – Part 2 – Summary of Insurer’s Transactions With Any Affiliates	98
Statement of Income	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	99
Underwriting and Investment Exhibit Part 1	6
Underwriting and Investment Exhibit Part 1A	7
Underwriting and Investment Exhibit Part 1B	8
Underwriting and Investment Exhibit Part 2	9
Underwriting and Investment Exhibit Part 2A	10
Underwriting and Investment Exhibit Part 3	11

