



# QUARTERLY STATEMENT

As of March 31, 2014  
of the Condition and Affairs of the

## Safe Auto Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period)	NAIC Company Code..... 25405	Employer's ID Number..... 31-1379882
Organized under the Laws of OHIO	State of Domicile or Port of Entry OHIO	Country of Domicile US
Incorporated/Organized..... May 28, 1993	Commenced Business..... August 25, 1993	
Statutory Home Office	4 Easton Oval..... Columbus ..... OH ..... 43219 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	4 Easton Oval..... Columbus ..... OH ..... <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	614-231-0200 <i>(Area Code) (Telephone Number)</i>
Mail Address	4 Easton Oval..... Columbus ..... OH ..... <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	4 Easton Oval..... Columbus ..... OH ..... <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	614-231-0200 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address		
Statutory Statement Contact	Melinda Fry <i>(Name)</i> melinda.fry@safeauto.com <i>(E-Mail Address)</i>	614-944-7701 <i>(Area Code) (Telephone Number) (Extension)</i> 614-559-5357 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Ronald Davies	CEO & President	2. Mark LeMaster	Secretary & Executive Vice President
3. Greg Sutton	Treasurer & Executive Vice President	4. Thomas Happensack	Controller
John Kish	Sr. Vice President	Evan McKee	Sr. Vice President

### OTHER

### DIRECTORS OR TRUSTEES

Britt Beemer	Charles Bryan	Ari Deshe	Jon Diamond
Oded Gur-Arie	Ralph Kaparos	William H Graves	

State of..... Ohio  
County of..... Franklin

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.

_____ (Signature) Ronald Davies 1. (Printed Name) CEO & President _____ (Title)	_____ (Signature) Mark LeMaster 2. (Printed Name) Secretary & Executive Vice President _____ (Title)	_____ (Signature) Greg Sutton 3. (Printed Name) Treasurer & Executive Vice President _____ (Title)
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Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

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 \_\_\_\_\_

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	215,410,194		215,410,194	212,506,452
2. Stocks:				
2.1 Preferred stocks.....	227,200		227,200	210,400
2.2 Common stocks.....	31,683,449		31,683,449	24,516,059
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	30,017,403		30,017,403	30,213,725
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	900,000		900,000	956,000
5. Cash (\$.....13,648,281), cash equivalents (\$.....1,399,972) and short-term investments (\$.....6,859,341).....	21,907,594		21,907,594	24,102,507
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	3,500,000		3,500,000	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	303,645,840	0	303,645,840	292,505,143
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,439,289		1,439,289	1,549,697
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	15,240,552		15,240,552	14,060,111
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	57,279,509		57,279,509	42,562,851
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	4,352,921		4,352,921	3,713,493
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	14,326,279	12,577,887	1,748,392	1,863,202
21. Furniture and equipment, including health care delivery assets (\$.....0).....	1,458,177	1,458,177	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	321,440		321,440	2,799
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	11,687,688	919,960	10,767,728	11,040,907
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	409,751,696	14,956,024	394,795,672	367,298,203
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	409,751,696	14,956,024	394,795,672	367,298,203

**DETAILS OF WRITE-INS**

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Corporate owned life insurance.....	5,768,058		5,768,058	5,700,406
2502. Deferred compensation life insurance.....	4,879,698		4,879,698	4,752,146
2503. Prepaid expenses.....	798,286	798,286	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	241,646	121,674	119,972	588,355
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	11,687,688	919,960	10,767,728	11,040,907

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....34,871,986).....	117,252,667	113,277,992
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	31,931,661	31,734,204
4. Commissions payable, contingent commissions and other similar charges.....	936,988	174,370
5. Other expenses (excluding taxes, licenses and fees).....	11,285,325	11,808,664
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	5,314,098	4,232,758
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....150,000 and interest thereon \$.....0.....	150,000	150,000
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....)	90,966,726	72,029,023
10. Advance premium.....	73,119	
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....	8,296	10,223
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	7,493,542	2,814,508
20. Derivatives.....		
21. Payable for securities.....	253,747	
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	1,728,722	1,669,478
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	267,394,891	237,901,220
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	267,394,891	237,901,220
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	55,400,000	55,400,000
35. Unassigned funds (surplus).....	69,500,780	71,496,983
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	127,400,780	129,396,983
38. Totals (Page 2, Line 28, Col. 3).....	394,795,671	367,298,203

### DETAILS OF WRITE-INS

2501. Funds set aside for escheatment.....	1,728,722	1,669,478
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,728,722	1,669,478
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$....94,314,304).....	75,376,605	74,642,523	286,011,185
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$....22,447).....	22,447		
1.4 Net..... (written \$....94,291,857).....	75,354,158	74,642,523	286,011,185
DEDUCTIONS:			
2. Losses incurred (current accident year \$....187,232,618):			
2.1 Direct.....	47,121,662	48,210,440	182,821,046
2.2 Assumed.....			
2.3 Ceded.....			
2.4 Net.....	47,121,662	48,210,440	182,821,046
3. Loss adjustment expenses incurred.....	8,470,493	7,715,123	27,051,311
4. Other underwriting expenses incurred.....	31,020,810	29,626,778	103,239,295
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	86,612,965	85,552,341	313,111,652
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(11,258,807)	(10,909,818)	(27,100,467)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	1,769,846	1,815,338	6,946,386
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	(2,565)	30,519	(269,282)
11. Net investment gain (loss) (Lines 9 + 10).....	1,767,281	1,845,857	6,677,104
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$....283,356).....	(283,356)	(485,035)	(3,241,257)
13. Finance and service charges not included in premiums.....	7,025,674	7,212,733	27,347,754
14. Aggregate write-ins for miscellaneous income.....	526,100	1,078,113	3,006,226
15. Total other income (Lines 12 through 14).....	7,268,417	7,805,811	27,112,723
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(2,223,108)	(1,258,150)	6,689,360
17. Dividends to policyholders.....			
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).....	(2,223,108)	(1,258,150)	6,689,360
19. Federal and foreign income taxes incurred.....	65,685		858,602
20. Net income (Line 18 minus Line 19) (to Line 22).....	(2,288,793)	(1,258,150)	5,830,758
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	129,396,983	119,437,853	119,437,854
22. Net income (from Line 20).....	(2,288,793)	(1,258,150)	5,830,758
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....206,071.....	382,704	1,021,761	1,837,391
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	719,270	546,855	(1,882,794)
27. Change in nonadmitted assets.....	(809,383)	(1,758,738)	173,774
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....		4,000,000	4,000,000
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(1,996,202)	2,551,728	9,959,129
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	127,400,780	121,989,581	129,396,983

<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous income.....	526,100	1,078,113	3,006,226
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	526,100	1,078,113	3,006,226
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	78,467,880	77,539,596	286,212,756
2. Net investment income.....	2,719,012	2,506,007	9,407,494
3. Miscellaneous income.....	7,268,417	7,805,811	27,112,723
4. Total (Lines 1 through 3).....	88,455,309	87,851,414	322,732,973
5. Benefit and loss related payments.....	43,146,987	48,249,259	176,265,898
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	37,973,227	39,778,161	131,621,418
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$....872 tax on capital gains (losses).....	65,685		858,602
10. Total (Lines 5 through 9).....	81,185,899	88,027,420	308,745,918
11. Net cash from operations (Line 4 minus Line 10).....	7,269,410	(176,006)	13,987,054
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	10,366,159	10,734,991	84,774,015
12.2 Stocks.....	347,751		7,685,651
12.3 Mortgage loans.....			3,500,000
12.4 Real estate.....			
12.5 Other invested assets.....			488,387
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....	253,747		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	10,967,657	10,734,991	96,448,053
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	13,729,491	11,076,561	95,450,624
13.2 Stocks.....	7,198,821		5,794,949
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....	3,500,000		
13.6 Miscellaneous applications.....		5,672,591	6,015,834
13.7 Total investments acquired (Lines 13.1 to 13.6).....	24,428,312	16,749,152	107,261,407
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(13,460,655)	(6,014,161)	(10,813,354)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....		4,000,000	4,000,000
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....		4,000,000	4,000,000
16.6 Other cash provided (applied).....	3,996,332	(2,974,977)	(1,270,202)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	3,996,332	(2,974,977)	(1,270,202)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(2,194,913)	(9,165,144)	1,903,498
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	24,102,507	22,199,008	22,199,008
19.2 End of period (Line 18 plus Line 19.1).....	21,907,594	13,033,865	24,102,507

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001 .....			
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**NOTES TO FINANCIAL STATEMENTS****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices**

1. The accompanying financial statements of Safe Auto Insurance Company ("the Company") have been prepared on the basis of accounting practices prescribed or permitted by the Insurance Department of the State of Ohio. The Insurance Department of the State of Ohio recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

	March 31, 2014	March 31, 2013
Net income Ohio basis	(2,288,793)	(1,258,150)
State prescribed practices	0	0
State permitted practices	0	0
Net income, NAIC SAP	<u>\$ (2,288,793)</u>	<u>\$ (1,258,150)</u>
Statutory surplus Ohio basis	127,400,780	121,989,581
State prescribed practices	0	0
State permitted practices	0	0
Statutory surplus, NAIC SAP	<u>\$ 127,400,780</u>	<u>\$ 121,989,581</u>

There have been no significant changes in accounting policies.

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

The Company did not have any material changes in accounting principles and/or corrections of errors.

**3. BUSINESS COMBINATIONS AND GOODWILL**

No change

**4. DISCONTINUED OPERATIONS**

No change

**5. INVESTMENTS****A. Mortgage Loans**

- 1-4. Entering 2014, the Company does not carry any commercial mortgage loans.  
 5-6. The Company did not have an investment in impaired mortgage loans.  
 7. The Company did not contain and allowance for credit losses.  
 8. The Company did not have an investment in impaired mortgage loans therefore, did not recognize interest income on impaired mortgage loans.

**B. Debt Restructuring**

1. None

**C. Reverse Mortgages**

1. None

**D. Loan-Backed Securities**

1. Prepayment assumptions for mortgage-backed securities, collateralized mortgage obligations and other structured securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning). On an ongoing basis, we monitor the rate of prepayment and calibrate the model to reflect actual experience, market factors, and viewpoint.
2. The Company had no loan backed securities with a 2014 recognized OTTI.
3. None
4. Unrealized Loss greater than and less than 12 months:

- a. The aggregate amount of unrealized losses:

Less Than 12 Months	(1,155,729)
Greater Than 12 Months	(321,672)
	<u>(1,477,401)</u>

- b. The aggregate related fair value of securities with unrealized losses:

Less Than 12 Months	42,723,262
Greater Than 12 Months	4,185,722
	<u>46,908,984</u>

5. Recommendations for potential impairments are based on periodic analytical reviews. Analysis relies on actual collateral performance measurements including, but not limited to prepayment rates, default rates, delinquencies and loss severity sourced through third party data providers.

**E. Repurchase Agreements**

1. None

**NOTES TO FINANCIAL STATEMENTS**

## F. Real Estate

1. In 2013, the Company closed operations at the call center operation in South Carolina. The Company has recognized impairment losses of \$56,000 and \$436,265 in 2014 and 2013, respectively, based on an appraisal of the building.
2. The Company's branch office in Hemingway, South Carolina was updated to held for sale during the fourth quarter of 2013. As of March 31, 2014, this office building is still held for sale.
3. None
4. None
5. None

## G. Low Income Housing Tax Credits

1. None

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

No change

## 7. INVESTMENT INCOME

No change

## 8. DERIVATIVE INSTRUMENTS

No change

## 9. INCOME TAXES

No change

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

## A. Nature of Relationships

1. The Company is a wholly owned subsidiary of Safe Auto Insurance Group, Inc. (Parent), a privately held company incorporated in Ohio.

## B. Detail of Transactions Greater than 1/2% of Admitted Assets

1. The Company did not receive a capital contribution in 2014 but did receive a capital contribution of \$4,000,000 from the Parent during 2013.
2. The Company participates in a cash sweep program with Safe Auto Group Agency. Within terms of the program they may commingle cash balances in a bank account owned by the Company.
3. Safe Auto Group Agency negotiates, manages, and purchases certain advertising for Safe Auto Insurance Company, sells and services certain insurance policies on the behalf of Safe Auto Insurance Company, and is reimbursed 100% by Safe Auto Insurance Company for all costs incurred to provide such services (see Note 10-F).
4. No other transactions exceeding the 1/2% limit occurred in 2014 or 2013.

## C. Change in Terms of Intercompany Arrangements

1. None

## D. Amounts Due to or From Related Parties

1. The Company had net payables to Safe Auto Group Agency of \$6,739,466 and \$5,199,300 as of March 31, 2014 and 2013, respectively.
2. SAGI Realty Ltd. (SAGI), a subsidiary of SafeAuto Realty, LLC., owns the Company's former headquarters and an adjacent building. The Company paid rent on these properties of \$3,600 and \$0 for the first quarter of 2014 and 2013, respectively. The Company had a net receivable from SafeAuto Realty, LLC of \$10,000 as of March 31, 2014, and \$0 as of March 31, 2013. The Company also from time to time paid for improvements to certain rental properties and for building operating purposes on behalf of SAGI. The Company had net payables to SAGI of \$1,200 as of March 31, 2014 and no net payables as of March 31, 2013.
3. The Company had a net payable balance to the Parent of \$438,970 as of March 31, 2013 and a net receivable balance from Parent of \$8,242,993 as of March 31, 2013.

## E. Guarantees or Contingencies for Related Parties

1. None

## F. Management, Service Contracts, Cost Sharing Arrangements

1. Safe Auto Insurance Company and Safe Auto Group Agency are parties of an agency contract. Safe Auto Group Agency provides agency services for Safe Auto Insurance Company by employing certain agents, customer service, and related management personnel while also exclusively providing all advertising and marketing efforts. Safe Auto Insurance Company paid Safe Auto Group Agency \$14,489,890 and \$15,151,714 for the first quarter of 2014 and 2013, respectively.
2. In August 2012, the Company and its parent entered into an agreement whereby Company management provides services to the parent and its subsidiaries. This agreement was approved by the Ohio Department of Insurance. The parent paid the Company \$249,999 in the first quarter for both 2014 and 2013.
3. All such management, service contracts, and cost sharing agreements mentioned are transacted at cost and provide no profit provision to the service provider.

## G. Nature of Relationships that Could Affect Operations

1. All outstanding shares of the Company are owned by Parent.

## H. Amount Deducted for Investment in Upstream Company

1. None

## I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

1. None

## J. Write down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

1. None

## K. Foreign Subsidiary Valued Using CARVM

1. None

## L. Downstream Holding Company Valued Using Look-Through Method

1. None

**NOTES TO FINANCIAL STATEMENTS**

## 11. DEBT

No change

## 12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTEMPLOYMENT BENEFITS

No change

## 13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No change

## 14. CONTINGENCIES

## A. Contingent Commitments

1. The Company has no commitments or contingent commitments to affiliates or other entities, or has made no guarantees on behalf of affiliates.
2. Not applicable
3. Not applicable

## B. Guaranty Fund and Other Assessments

1. The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessment or in the case of premium based assessments, at the time the premiums were written, or in the case of loss based assessments, at the time the losses are incurred.
2. The Company determined there are no accruals needed at this time. This represents management's best estimate based on information received from the states in which the Company writes business and may change if different information is received from a state.

## C. Gain Contingencies

1. The Company does not have any material gain contingencies.

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

The Company is named, from time to time and in the ordinary course of business, as a defendant in legal actions arising principally from claims made under its insurance contracts, including those seeking extra-contractual damages beyond policy limits. These are commonly referred to as extra-contractual or bad faith claims. The Company is presently defending two such matters. In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Such legal actions are considered by the Company in estimating the loss and LAE reserves.

At this time, the Company does not believe that any other legal action necessitates recognition of losses or disclosure, or that the resolution of such action would have a material adverse effect on the Company's financial position or results of operations.

During the first quarter of 2014 and 2013, the Company paid \$24,500 and \$25,000, respectively, net of reimbursements. This related to less than 25 claims in both periods.

The claim count information is disclosed on a "per claim" basis.

## E. Product Warranties

1. Not applicable

## F. All Other Contingencies

1. The Company is also, from time to time and in the ordinary course of business, faced with class action lawsuits, regulatory proceedings, and individual lawsuits that are not directly related to its insurance contracts. Such matters presently include two putative class action lawsuits alleging that the Company improperly charged premium to certain customers. The company is vigorously defending its position in these matters. In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Likewise, the Company does not establish reserves for those matters where the loss is not probable and/or it currently is unable to estimate the Company's potential exposure. If either or both of the existing class action suits result in a judgment against, or settlement by, the Company in an amount significantly in excess of the reserve established for that matter, if any, the resulting liability could have a material effect on the Company's financial condition, cash flows, and results of operations.
2. The Internal Revenue Service has provided the Company with notice of an alleged infraction related to the filing of certain 1099 returns, and is seeking a \$500,000 penalty as a result. It is the Company's position that the underlying facts are such that a penalty is inappropriate and it has submitted written objections to the proposed penalty based upon those underlying mitigating facts. The Company is awaiting a response from the IRS at this time. As with all such contingencies, the Company establishes reserves for those matters as to which it has determined that it is probably a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established.

## 15. LEASES

No change

## 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS

No change

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

No change

## 18. GAIN OR LOSS FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No change

**NOTES TO FINANCIAL STATEMENTS****19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

The Company uses a general agent (GA) to write and administer private passenger automobile insurance products in the State of California. The general agent is expected to write annualized direct premiums greater than 5% of policyholder surplus. The terms of the GA contract give the GA authority for premium collection. The Company retains underwriting authority for all policies issued under this agreement.

Name and Address	FEI Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Direct Premium Written
SCJ Insurance Services 5860 West Las Positas Blvd. Suite 25 Pleasanton, CA 94588	94-2297460	Yes	Private Passenger Automobile	P	6,004,818

The Company has a separate agreement with a single third party administrator to handle claims adjustment and claims payment for handling of the company's California and Arizona business and other isolated areas around the country.

**20. FAIR VALUE MEASUREMENT****A. Inputs Used for Assets and Liabilities Measured at Fair Value**

- Assets recorded on the financial statements at fair value measurements by accounting hierarchy levels 1, 2 and 3.

The Company has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the following table. The Company had no liabilities recorded at fair value.

The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by ASC 820 *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are defined as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Perpetual Preferred Stock				
Industrial and Misc	\$ -	\$ 227,200	\$ -	\$ 227,200
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ 227,200	\$ -	\$ 227,200
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	988,130	-	988,130
Hybrid Securities	-	-	-	-
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ 988,130	\$ -	\$ 988,130
Common Stock				
Industrial and Misc	30,993,949	689,500	-	31,683,449
Parent, Subsidiaries, and Affiliates	-	-	-	-
Total Common Stock	\$ 30,993,949	\$ 689,500	\$ -	\$ 31,683,449
Total assets at fair value	\$ 30,993,949	\$ 1,904,830	\$ -	\$ 32,898,779

Reclassifications impacting Level 3 financial instruments are reported as transfers in (out) of the Level 3 category as of the beginning of the quarter in which the transfer occurs; gains and losses in income only reflect activity for the period the instrument was classified in Level 3. The same policy is followed when a transfer between Level 1 and Level 2 occurs.

There were no transfers between Level 1 and Level 2 assets during the current period.

- Roll forward of Level 3 items

There were no transfers in or out of Level 3 securities in 2013.

- Policy on Transfers Into and out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

- Fair value measurements for fixed income and equity securities are based on values either published by the NAIC's Security Valuation Office (SVO) or from an independent pricing service vendor. Under certain circumstances, if neither an SVO price nor a Vendor price is available, a price may be obtained from a broker. Short term securities and cash equivalents are valued at amortized cost.

**NOTES TO FINANCIAL STATEMENTS**

When published prices from the SVO are not available, the Company relies predominately on independent pricing service vendors that have been evaluated and approved by our investment management company's internal pricing policy committee. Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation.

Certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used by the Company to determine the appropriate fair value hierarchy.

Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with the Company's pricing policy. Market Information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

**21. OTHER ITEMS**

No change

**22. EVENTS SUBSEQUENT**

No change

**23. REINSURANCE**

No change

**24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

No change

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

Current year changes in estimates of the costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies. Current year losses and LAE of \$57,021,159 were lower by \$1,408,722 because of favorable development of prior year estimates. This favorable development was approximately 1% of the prior years' reserves for unpaid losses and LAE.

The decreases in prior years' estimates are a result of ongoing analysis of recent loss trends. The decrease in estimated losses for prior years of \$1,355,318 is a result of claim frequency being below previously projected levels in the preceding two most recent years for liability coverages and liability severity being lower for accident year 2012. The decrease in prior years' estimated LAE of \$53,404 is primarily a result of the impact of lower projected DCC expenses, related to lower than expected claims requiring litigations, offset by higher adjusting costs on A&O expenses.

The Company experienced no prior year claim development on retrospectively rated policies because the Company does not issue retrospectively rated policies.

**26. INTERCOMPANY POOLING ARRANGEMENTS**

No change

**27. STRUCTURE SETTLEMENTS**

No change

**28. HEALTH CARE RECEIVABLES**

No change

**29. PARTICIPATING POLICIES**

No change

**30. PREMIUM DEFICIENCY RESERVES**

No change

**31. HIGH DEDUCTIBLES**

No change

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

No change

**33. ASBESTOS/ENVIRONMENTAL RESERVES**

No change

**34. SUBSCRIBER SAVINGS ACCOUNTS**

No change

## NOTES TO FINANCIAL STATEMENTS

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35. MULTIPLE PERIL CROP INSURANCE

No change

36. FINANCIAL GUARANTY INSURANCE

No change

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]
- 2.2 If yes, date of change: .....
- 3.1 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? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No [ ]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

\_\_\_\_\_

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [ ] No [X] N/A [ ]

\_\_\_\_\_

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2013.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2009.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....5/12/2011.....

- 6.4 By what department or departments?  
Ohio Department of Insurance

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 7.2 If yes, give full information:

\_\_\_\_\_

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

\_\_\_\_\_

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

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

- 9.11 If the response to 9.1 is No, please explain:
- \_\_\_\_\_

- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

\_\_\_\_\_

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

Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES - GENERAL**

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

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**PART 1 - FINANCIAL**

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....321,440

**PART 1 - INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes  No

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

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12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

13. Amount of real estate and mortgages held in short-term investments: \$.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$ .....0	\$ .....0
14.22 Preferred Stock.....	\$ .....0	\$ .....0
14.23 Common Stock.....	\$ .....0	\$ .....0
14.24 Short-Term Investments.....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate.....	\$ .....0	\$ .....0
14.26 All Other.....	\$ .....0	\$ .....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$ .....0	\$ .....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes  No

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16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$.....0
- 16.3 Total payable for securities lending reported on the liability page: \$.....0

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

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

1	2
Name of Custodian(s)	Custodian Address
U.S. Bank	425 Walnut Street, 6th Floor, Cincinnati, OH 45202
Merrill Lynch	65 East State Street, Suite 2600, Columbus, OH 43215
JP Morgan Chase NA	Columbus Trust Office, 100 East Broad Street, Columbus, OH 43271-0192
Bank of America Corporation	200 W. Capitol Avenue, FL 6, Little Rock, AR 72201
SunTrust	P.O. Box 26665, Richmond, VA 23261-6665
FHLB of Cincinnati	221 E. 4th Street, Suite 1000, Cincinnati, OH 45202
PNC Wealth Management	155 East Broad Street, Columbus, OH 43215
Raymond James & Associates, Inc.	880 Carillon Parkway, St. Petersburg, FL 33716

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes  No

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

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
	Raymond James	2/27/2014	New investment manager

**PART 1 - INVESTMENT**

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

1 Central Registration Depository	2 Name(s)	3 Address
105900	General Re/New England Asset Management	76 Batterson Park Road, Farmington, CT 06032
7691	Merrill Lynch	65 East State Street, Columbus, OH 43215
1608684	JP Morgan Chase	345 Park Avenue, New York, NY 10154-1002
705	Raymond James	3178 Kingsdale Center, Upper Arlington, OH 43221

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

18.2 If no, list exceptions:  
 \_\_\_\_\_  
 \_\_\_\_\_

**Safe Auto Insurance Company**  
**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [ ] N/A [X]  
 If yes, attach an explanation.

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2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]  
 If yes, attach an explanation.

---

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

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4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period				
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total	
						.0					.0
<b>Total</b>	XXX	XXX	0	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent 0.0 %  
 5.2 A&H cost containment percent 0.0 %  
 5.3 A&H expense percent excluding cost containment expenses 0.0 %

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

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

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

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
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**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	N						
2. Alaska.....AK	N						
3. Arizona.....AZ	L	3,042,346	3,150,147	1,482,789	1,571,106	3,760,561	4,272,264
4. Arkansas.....AR	L						
5. California.....CA	L	6,004,818		520,200		1,577,612	
6. Colorado.....CO	L						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	N						
11. Georgia.....GA	L	5,864,294	5,960,850	2,855,096	3,280,375	7,377,104	6,251,942
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	3,715,768	4,146,403	1,714,776	2,278,375	5,623,195	5,777,227
15. Indiana.....IN	L	8,071,352	7,690,365	4,396,469	4,611,747	12,736,863	10,616,614
16. Iowa.....IA	N						
17. Kansas.....KS	L	349,511	352,324	141,252	120,358	282,259	429,729
18. Kentucky.....KY	L	11,771,087	12,955,061	5,227,343	6,262,899	15,217,279	14,541,542
19. Louisiana.....LA	L	1,249,448	1,068,776	454,206	623,541	1,324,711	1,101,419
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	N						
24. Minnesota.....MN	N						
25. Mississippi.....MS	L	704,163	668,725	281,246	310,247	521,979	493,527
26. Missouri.....MO	L	4,440,687	5,626,442	2,672,455	3,600,973	7,189,956	8,200,263
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	L	18,308,838	15,818,617	8,996,494	8,514,206	17,789,508	15,802,874
37. Oklahoma.....OK	L	2,134,681	2,166,534	754,438	944,150	2,864,612	2,822,966
38. Oregon.....OR	N						
39. Pennsylvania.....PA	L	16,314,993	16,309,059	7,444,764	8,638,692	22,886,831	19,897,807
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L	3,721,565	3,840,992	2,229,346	2,173,095	6,222,433	5,975,874
42. South Dakota.....SD	N						
43. Tennessee.....TN	L	2,690,982	2,834,294	1,388,913	1,544,100	3,189,912	2,672,824
44. Texas.....TX	L	4,633,612	5,562,764	2,229,849	3,483,594	7,698,587	7,084,663
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	L	1,296,159	945,150	357,348	291,802	989,263	776,646
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CAN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a).....19	94,314,304	89,096,503	43,146,984	48,249,260	117,252,665	106,718,181

**DETAILS OF WRITE-INS**

58001.....	XXX						
58002.....	XXX						
58003.....	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX	0	0	0	0	0	0

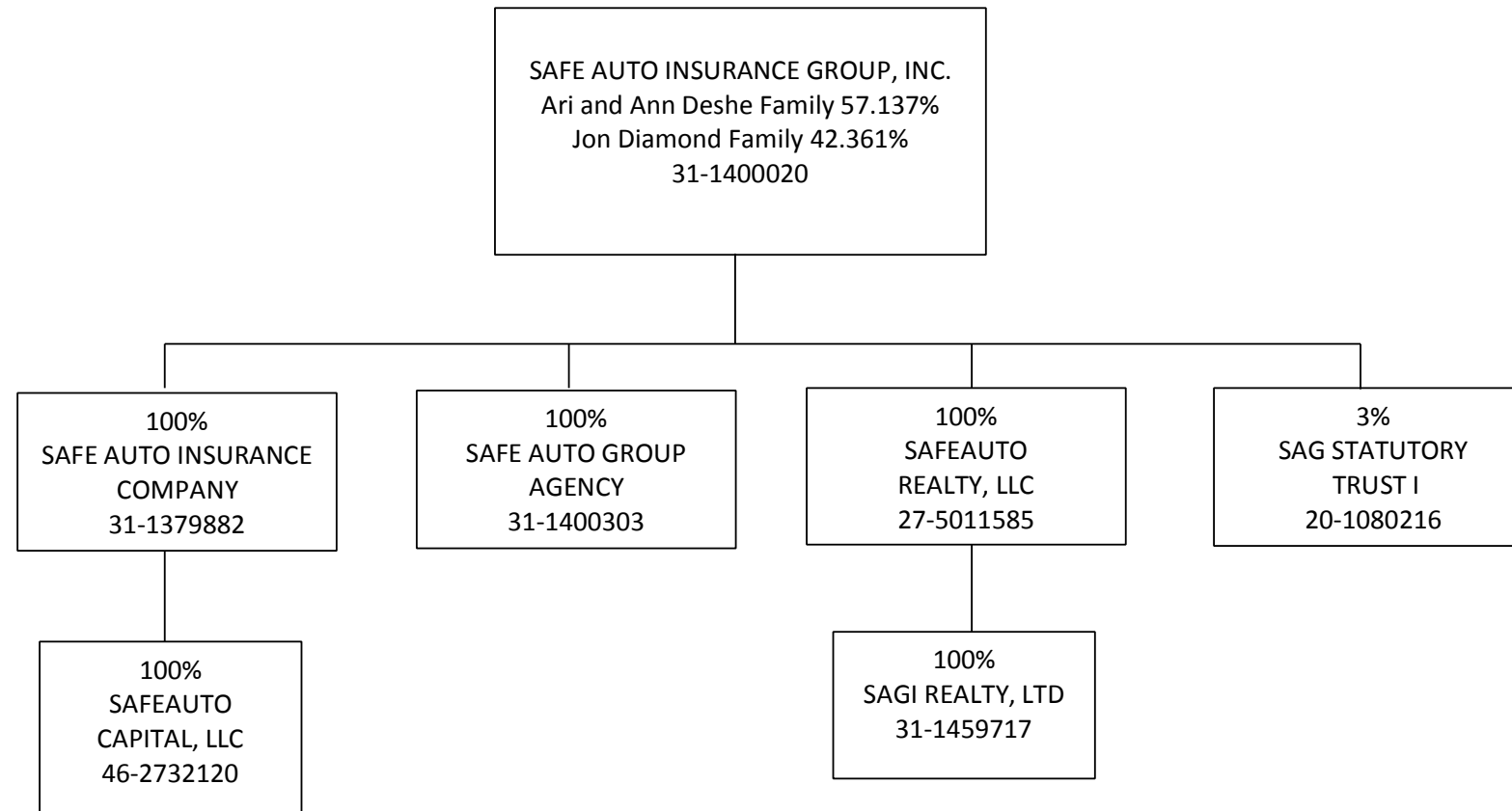
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

## PART 1 – ORGANIZATIONAL CHART



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**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
<b>Members</b>														
.....	Safe Auto Insurance Group, Inc.....	.....	31-1400020	.....	.....	.....	Safe Auto Insurance Group, Inc.....	OH.....	UDP.....	Deshe & Diamond Families.....	Ownership.....	.....99.747	Deshe Family.....	.....
.....	Safe Auto Insurance Group, Inc.....	25405	31-1379882	.....	.....	.....	Safe Auto Insurance Company.....	OH.....	IA.....	Safe Auto Insurance Group, Inc.....	Ownership.....	.....100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	31-1400303	.....	.....	.....	Safe Auto Group Agency.....	OH.....	NIA.....	Safe Auto Insurance Group, Inc.....	Ownership.....	.....100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	27-5011585	.....	.....	.....	SafeAuto Realty LLC.....	OH.....	NIA.....	Safe Auto Insurance Group, Inc.....	Ownership.....	.....100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	31-1459717	.....	.....	.....	SAGI Realty.....	OH.....	NIA.....	SafeAuto Realty, LLC.....	Ownership.....	.....100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	20-1080216	.....	.....	.....	SAG Statutory Trust I.....	OH.....	NIA.....	Safe Auto Insurance Group, Inc.....	Ownership.....	.....100.000	Safe Auto Insurance Group, Inc.....	.....
.....	Safe Auto Insurance Group, Inc.....	.....	46-2732120	.....	.....	.....	SafeAuto Capital, LLC.....	OH.....	DS.....	Safe Auto Insurance Company.....	Ownership.....	.....100.000	Safe Auto Insurance Group, Inc.....	.....

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Asterisk	Explanation

**NONE**

Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
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	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....			0.0	
17.2 Other liability-claims made.....			0.0	
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....			0.0	
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	53,772,169	31,779,803	59.1	66.7
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....	21,604,435	15,341,859	71.0	59.2
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	75,376,603	47,121,662	62.5	64.6

**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	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....			
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....			
18.2 Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....	67,476,677	67,476,677	64,366,391
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....	26,837,629	26,837,629	24,730,112
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	94,314,306	94,314,306	89,096,503

**DETAILS OF WRITE-INS**

3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + Prior.....	15,675	3,906	19,581	2,448	46	2,494	13,612	75	1,840	15,527	385	(1,945)	(1,560)
2. 2012.....	24,642	6,719	31,361	5,444	18	5,462	22,916	100	1,722	24,738	3,718	(4,879)	(1,161)
3. Subtotals 2012 + Prior.....	40,317	10,625	50,942	7,892	64	7,956	36,528	175	3,562	40,265	4,103	(6,824)	(2,721)
4. 2013.....	71,416	22,654	94,070	26,616	770	27,386	59,077	2,534	6,388	67,999	14,277	(12,962)	1,315
5. Subtotals 2013 + Prior.....	111,733	33,279	145,012	34,508	834	35,342	95,605	2,709	9,950	108,264	18,380	(19,786)	(1,406)
6. 2014.....	XXX	XXX	XXX	XXX	16,079	16,079	XXX	31,488	9,434	40,922	XXX	XXX	XXX
7. Totals.....	111,733	33,279	145,012	34,508	16,913	51,421	95,605	34,197	19,384	149,186	18,380	(19,786)	(1,406)
8. Prior Year-End's Surplus As Regards Policyholders	129,397												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....16.4 %	2. ....(59.5)%	3. ....(1.0)%
													Col. 13, Line 7 Line 8
													4. ....(1.1)%

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Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<b>Response</b>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	YES

**Explanation:**

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

**Bar Code:**



Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**Overflow Page for Write-Ins**

**Additional Write-ins for Assets:**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Postage receivable.....	121,674	121,674	0	
2505. Miscellaneous receivables.....	119,972		119,972	215,167
2506. License/maintenance agreements (prepaid).....			0	373,188
2597. Summary of remaining write-ins for Line 25.....	241,646	121,674	119,972	588,355

Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	31,169,725	32,409,518
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....	56,000	436,265
8. Deduct current year's depreciation.....	196,322	803,528
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	30,917,403	31,169,725
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	30,917,403	31,169,725

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	3,500,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		3,500,000
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	1,418,278
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	2,000,000	
2.2 Additional investment made after acquisition.....	1,500,000	
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		(929,891)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		488,387
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	3,500,000	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	3,500,000	0

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	237,232,900	225,962,222
2. Cost of bonds and stocks acquired.....	20,928,313	101,245,573
3. Accrual of discount.....	13,300	52,602
4. Unrealized valuation increase (decrease).....	228,122	3,750,334
5. Total gain (loss) on disposals.....	53,416	594,246
6. Deduct consideration for bonds and stocks disposed of.....	10,713,908	92,459,666
7. Deduct amortization of premium.....	421,311	1,485,147
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		427,264
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	247,320,832	237,232,900
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	247,320,832	237,232,900

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	205,383,089	21,038,234	24,220,596	(333,032)	201,867,698			205,383,089
2. NAIC 2 (a).....	19,306,487	1,244,240		(72,728)	20,477,999			19,306,487
3. NAIC 3 (a).....	1,125,862		770	4,792	1,129,885			1,125,862
4. NAIC 4 (a).....	193,925				193,924			193,925
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds.....	226,009,363	22,282,474	24,221,366	(400,968)	223,669,506	0	0	226,009,363
<b>PREFERRED STOCK</b>								
8. NAIC 1.....								
9. NAIC 2.....	210,400			16,800	227,200			210,400
10. NAIC 3.....								
11. NAIC 4.....								
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	210,400	0	0	16,800	227,200	0	0	210,400
15. Total Bonds and Preferred Stock.....	226,219,763	22,282,474	24,221,366	(384,168)	223,896,706	0	0	226,219,763

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:  
NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE DA - PART 1

### Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	6,859,341	XXX.....	6,857,512	8	

## SCHEDULE DA - VERIFICATION

### Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	9,503,003	7,745,216
2. Cost of short-term investments acquired.....	7,153,083	1,757,787
3. Accrual of discount.....	2,173	
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	9,798,543	
7. Deduct amortization of premium.....	375	
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	6,859,341	9,503,003
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	6,859,341	9,503,003

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**SCHEDULE E- VERIFICATION**

## Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,999,911	4,749,975
2. Cost of cash equivalents acquired.....	1,399,900	30,746,157
3. Accrual of discount.....	144	3,774
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	19	
6. Deduct consideration received on disposals.....	4,000,002	31,499,995
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,399,972	3,999,911
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	1,399,972	3,999,911

**Sch. A-Pt 2**  
**NONE**

**Sch. A-Pt 3**  
**NONE**

**Sch. B-Pt 2**  
**NONE**

**Sch. B-Pt 3**  
**NONE**

### SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
<b>Any Other Class of Asset - Unaffiliated</b>												
	Ramius Merger Fund LLC.....	New York.....	NY.....	Ramius Advisors, LLC.....		02/24/2014....	6	2,000,000	1,500,000			6.1
4299999	Total - Any Other Class of Asset - Unaffiliated.....							2,000,000	1,500,000	0	0	XXX
4499999	Subtotal - Unaffiliated.....							2,000,000	1,500,000	0	0	XXX
4699999	Totals.....							2,000,000	1,500,000	0	0	XXX

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### SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
<b>NONE</b>																			

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. States, Territories and Possessions</b>									
341535 3V 2	FLORIDA ST BRD OF EDU PUBLIC E.....		...02/18/2014	MERRILL LYNCH.....		.....111,500	.....100,000	.....1,111	1FE.....
452152 MK 4	ILLINOIS ST.....		...01/28/2014	MERRILL LYNCH.....		.....844,425	.....750,000	.....18,750	1FE.....
1799999	Total Bonds - U.S. States, Territories and Possessions.....					.....955,925	.....850,000	.....19,861	.....XXX.....
<b>Bonds - U.S. Special Revenue and Special Assessment</b>									
01179R DK 6	ALASKA ST MUNI BOND BANK AUTH.....		...02/07/2014	RBC DAIN RAUSCHER INCORPORATED.....		.....583,124	.....515,000		1FE.....
3136AF EC 4	FANNIE MAE 13-72 NA.....		...02/06/2014	GOLDMAN SACHS.....		.....1,928,340	.....1,920,090	.....1,333	1FE.....
3137B8 JF 5	FREDDIE MAC -4315 KP.....		...03/18/2014	SUNTRUST CAPITAL MARKETS.....		.....1,029,688	.....1,000,000	.....2,250	1FE.....
455160 AQ 4	INDIANA UNIV LEASE PURCHASE.....		...02/05/2014	JP MORGAN SECURITIES INC.....		.....560,848	.....505,000		1FE.....
49151E 8R 7	KENTUCKY ST PROPERTY & BLDGS C.....		...02/12/2014	RAMIREZ & CO INC.....		.....558,545	.....500,000	.....1,181	1FE.....
649883 YC 3	NEW YORK ST MTGE AGY HOMEOWNER.....		...02/13/2014	MORGAN STANLEY & CO.....		.....1,500,000	.....1,500,000		1FE.....
64990H ML 1	NEW YORK ST DORM AUTH REVENUES.....		...02/06/2014	RBC DAIN RAUSCHER INCORPORATED.....		.....579,005	.....500,000	.....5,972	1FE.....
940093 6J 1	WASHINGTON ST UNIV.....		...02/03/2014	FIDELITY.....		.....566,093	.....515,000		1FE.....
3199999	Total Bonds - U.S. Special Revenue and Special Assessment.....					.....7,305,643	.....6,955,090	.....10,736	.....XXX.....
<b>Bonds - Industrial and Miscellaneous</b>									
115637 AN 0	BROWN-FORMAN CORP.....		...01/22/2014	BARCLAYS CAPITAL.....		.....973,860	.....1,000,000	.....333	1FE.....
29336U AA 5	ENLINK MIDSTREAM PARTNER.....		...03/12/2014	CITIGROUP GLOBAL MARKETS.....		.....499,250	.....500,000		2FE.....
666807 BF 8	NORTHROP GRUMMAN CORP.....		...02/05/2014	MORGAN STANLEY & CO.....		.....744,990	.....750,000	.....2,516	2FE.....
68235P AA 6	ONE GAS INC.....		...01/13/2014	MORGAN STANLEY & CO.....		.....1,000,000	.....1,000,000		1FE.....
90331H MC 4	US BANK NA CINCINNATI.....		...01/27/2014	US BANCORP.....		.....999,850	.....1,000,000		1FE.....
983919 AG 6	XILINX INC.....		...03/05/2014	JP MORGAN SECURITIES INC.....		.....497,385	.....500,000		1FE.....
75625Q AA 7	RECKITT BENCKISER TSY.....	F	...01/13/2014	HSBC SECURITIES USA INC.....		.....752,588	.....750,000	.....5,003	1FE.....
3899999	Total Bonds - Industrial and Miscellaneous.....					.....5,467,923	.....5,500,000	.....7,852	.....XXX.....
8399997	Total Bonds - Part 3.....					.....13,729,491	.....13,305,090	.....38,449	.....XXX.....
8399999	Total Bonds.....					.....13,729,491	.....13,305,090	.....38,449	.....XXX.....
<b>Common Stocks - Industrial and Miscellaneous</b>									
030371 10 8	AMERICAN VANGUARD CORP.....		...03/10/2014	RAYMOND JAMES.....	.....1,925.000	.....42,262	.....XXX		L.....
032511 10 7	ANADARKO PETROLEUM CORPORATION.....		...03/10/2014	RAYMOND JAMES.....	.....494.000	.....41,732	.....XXX		L.....
037833 10 0	APPLE COMPUTER INC.....		...03/10/2014	RAYMOND JAMES.....	.....79.000	.....41,944	.....XXX		L.....
053015 10 3	AUTOMATIC DATA PROCESSING INC.....		...03/06/2014	MERRILL LYNCH.....	.....1,194.000	.....93,072	.....XXX		L.....
054303 10 2	AVON PRODUCTS INC.....		...03/10/2014	RAYMOND JAMES.....	.....2,777.000	.....41,788	.....XXX		L.....
126408 10 3	CSX CORPORATION.....		...03/06/2014	MERRILL LYNCH.....	.....3,224.000	.....93,008	.....XXX		L.....
12673A 10 8	CYS INVESTMENTS INC.....		...03/10/2014	RAYMOND JAMES.....	.....4,975.000	.....42,337	.....XXX		L.....
172062 10 1	CINCINNATI FINANCIAL CORP.....		...03/10/2014	RAYMOND JAMES.....	.....374.000	.....17,824	.....XXX		L.....
18683K 10 1	CLIFFS NATURAL RESOURCES INC.....		...03/10/2014	RAYMOND JAMES.....	.....2,259.000	.....40,353	.....XXX		L.....
208242 10 7	CONNIS INC.....		...03/10/2014	RAYMOND JAMES.....	.....1,211.000	.....42,418	.....XXX		L.....
23331A 10 9	DR HORTON INCORPORATED.....		...03/10/2014	RAYMOND JAMES.....	.....2,558.000	.....58,822	.....XXX		L.....
242370 20 3	DEAN FOODS CO.....		...03/10/2014	RAYMOND JAMES.....	.....2,839.000	.....42,123	.....XXX		L.....
247916 20 8	DENBURY RESOURCES INC.....		...03/10/2014	RAYMOND JAMES.....	.....2,577.000	.....41,954	.....XXX		L.....
253017 10 7	DICE HOLDINGS INC.....		...03/10/2014	RAYMOND JAMES.....	.....5,812.000	.....41,473	.....XXX		L.....
263534 10 9	DU PONT (EI) DE NEMOURS & COMPANY.....		...03/06/2014	MERRILL LYNCH.....	.....1,373.000	.....92,959	.....XXX		L.....
26441C 20 4	DUKE ENERGY CORP.....		...03/10/2014	RAYMOND JAMES.....	.....255.000	.....17,783	.....XXX		L.....
281020 10 7	EDISON INTERNATIONAL.....		...03/10/2014	RAYMOND JAMES.....	.....348.000	.....17,811	.....XXX		L.....
291011 10 4	EMERSON ELECTRIC CO.....		...03/06/2014	MERRILL LYNCH.....	.....1,422.000	.....92,938	.....XXX		L.....
30231G 10 2	EXXON MOBIL CORPORATION.....		...03/06/2014	MERRILL LYNCH.....	.....993.000	.....92,951	.....XXX		L.....
30249U 10 1	FMC TECHNOLOGIES INC.....		...03/10/2014	RAYMOND JAMES.....	.....336.000	.....17,805	.....XXX		L.....
369550 10 8	GENERAL DYNAMICS CORP.....		...03/06/2014	MERRILL LYNCH.....	.....831.000	.....92,823	.....XXX		L.....

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### SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
372460 10 5	GENUINE PARTS COMPANY		03/06/2014	MERRILL LYNCH	1,058.000	92,871	XXX		L
45866F 10 4	INTERCONTINENTAL EXCHANGE INC.		03/10/2014	RAYMOND JAMES	282.000	59,279	XXX		L
46625H 10 0	JP MORGAN CHASE & COMPANY		03/10/2014	RAYMOND JAMES	1,010.000	59,627	XXX		L
478160 10 4	JOHNSON & JOHNSON		03/10/2014	VARIOUS	1,186.000	110,758	XXX		L
524660 10 7	LEGGETT & PLATT INCORPORATED		03/10/2014	RAYMOND JAMES	558.000	17,799	XXX		L
535678 10 6	LINEAR TECHNOLOGY CORP.		03/06/2014	MERRILL LYNCH	1,967.000	93,001	XXX		L
577081 10 2	MATTEL INC.		03/10/2014	RAYMOND JAMES	474.000	17,817	XXX		L
580135 10 1	MCDONALDS CORPORATION		03/06/2014	MERRILL LYNCH	979.000	92,954	XXX		L
655844 10 8	NORFOLK SOUTHERN CORPORATION		03/06/2014	MERRILL LYNCH	982.000	92,917	XXX		L
666807 10 2	NORTHROP GRUMMAN CORPORATION		03/06/2014	MERRILL LYNCH	751.000	93,071	XXX		L
690742 10 1	OWENS CORNING		03/10/2014	RAYMOND JAMES	928.000	40,850	XXX		L
704326 10 7	PAYCHEX INC.		03/06/2014	MERRILL LYNCH	2,217.000	93,047	XXX		L
707569 10 9	PENN NATIONAL GAMING INC.		03/10/2014	RAYMOND JAMES	3,249.000	41,457	XXX		L
709102 10 7	PENN REAL ESTATE INVEST TST ORION		03/10/2014	RAYMOND JAMES	2,305.000	41,725	XXX		L
716748 10 8	PETROQUEST ENERGY INC.		03/10/2014	RAYMOND JAMES	8,151.000	41,163	XXX		L
742718 10 9	PROCTER & GAMBLE COMPANY (THE)		03/06/2014	MERRILL LYNCH	1,188.000	92,973	XXX		L
74762E 10 2	QUANTA SERVICES INC.		03/10/2014	RAYMOND JAMES	1,154.000	41,939	XXX		L
74834L 10 0	QUEST DIAGNOSTICS INCORPORATED		03/10/2014	RAYMOND JAMES	1,141.000	59,566	XXX		L
755111 50 7	RAYTHEON COMPANY		03/06/2014	MERRILL LYNCH	924.000	93,026	XXX		L
80004C 10 1	SANDISK CORP.		03/10/2014	RAYMOND JAMES	566.000	41,918	XXX		L
88076W 10 3	TERADATA CORPORATION		03/10/2014	RAYMOND JAMES	382.000	17,792	XXX		L
880770 10 2	TERADYNE INC.		03/10/2014	RAYMOND JAMES	885.000	17,594	XXX		L
896818 10 1	TRIUMPH GROUP INC.		03/10/2014	RAYMOND JAMES	646.000	41,699	XXX		L
90187B 10 1	TWO HARBORS INVESTMENT CORP.		03/10/2014	RAYMOND JAMES	4,087.000	42,399	XXX		L
90328M 10 7	USANA HEALTH SCIENCES INC.		03/12/2014	RAYMOND JAMES	516.000	35,995	XXX		L
931142 10 3	WAL-MART STORES INC.		03/06/2014	MERRILL LYNCH	1,246.000	92,923	XXX		L
94946T 10 6	WELLCARE HEALTH PLANS INC.		03/10/2014	RAYMOND JAMES	684.000	41,724	XXX		L
97382A 10 1	WINDSTREAM HOLDINGS INC.		03/10/2014	RAYMOND JAMES	5,164.000	41,828	XXX		L
H0023R 10 5	ACE LTD.	R	03/10/2014	RAYMOND JAMES	431.000	42,088	XXX		L
9099999	Total Common Stocks - Industrial and Miscellaneous					2,797,980	XXX	0	XXX
<b>Common Stocks - Mutual Funds</b>									
091936 73 2	BLACKROCK GL L/S CREDIT-INS.		02/21/2014	MERRILL LYNCH	18,399.326	200,000	XXX		L
09256H 28 6	BLACKROCK STRAT INC OPP-INS.		02/21/2014	MERRILL LYNCH	19,607.844	200,000	XXX		L
19248A 10 9	COHEN & STEERS SELECT UTILITY FUND		03/10/2014	RAYMOND JAMES	1,911.000	41,810	XXX		L
464287 16 8	ISHARES DJ SELECT DIVIDEND INDEX		03/28/2014	VARIOUS	50,200.000	3,559,031	XXX		L
76882K 70 2	RIVERPARK SHORT TERM H/Y-INS.		02/21/2014	MERRILL LYNCH	19,950.130	200,000	XXX		L
808090 63 3	SCHRODER ABS RET EMD&CUR-INV.		02/21/2014	MERRILL LYNCH	19,910.408	200,000	XXX		L
9299999	Total Common Stocks - Mutual Funds					4,400,841	XXX	0	XXX
9799997	Total Common Stocks - Part 3					7,198,821	XXX	0	XXX
9799999	Total Common Stocks					7,198,821	XXX	0	XXX
9899999	Total Preferred and Common Stocks					7,198,821	XXX	0	XXX
9999999	Total Bonds, Preferred and Common Stocks					20,928,312	XXX	38,449	XXX

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(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

## SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>																					
36178U UW 1	GOVERNMENT NATL MTG ASSOC II #AB7797.....		03/01/2014	PAYDOWN.....		4,846	4,846	5,212	4,848		(3)		(3)		4,846			0	28	11/20/2042	1FE.....
36296U SY 7	GOVERNMENT NATL MTG ASSOC #701735.....		03/01/2014	PAYDOWN.....		68,408	68,408	69,819	68,423		(15)		(15)		68,408			0	471	03/15/2039	1FE.....
36297J TV 6	GOVERNMENT NATL MTG ASSOC #713464.....		03/01/2014	PAYDOWN.....		13,026	13,026	13,425	13,030		(3)		(3)		13,026			0	87	06/15/2039	1FE.....
38373A D9 4	GINNIE MAE 2009-69 PV.....		03/01/2014	PAYDOWN.....		100,017	100,017	101,220	100,049		(32)		(32)		100,017			0	662	08/20/2039	1FE.....
912828 JZ 4	UNITED STATES TREASURY NOTES.....		01/31/2014	VARIOUS.....		300,000	300,000	298,102	299,968		32		32		300,000			0	2,625	01/31/2014	1FE.....
0599999. Total Bonds - U.S. Government.....						486,297	486,297	487,778	486,318	0	(21)	0	(21)	0	486,297	0	0	0	3,873	XXX	XXX
<b>Bonds - All Other Government</b>																					
46513A HA 1	ISRAEL STATE OF.....	F..	03/01/2014	MATURITY.....		700,000	700,000	700,000	700,000	0	0	0	0	0	700,000	0	0	0	2,805	03/01/2014	1FE.....
1099999. Total Bonds - All Other Government.....						700,000	700,000	700,000	700,000	0	0	0	0	0	700,000	0	0	0	2,805	XXX	XXX
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
445042 K8 6	HUMBLE TX INDEP SCH DIST.....		02/07/2014	OPPENHEIMER & CO. INC.....		1,114,967	1,115,000	1,037,485	1,112,644	2,195		2,195	2,195	1,114,839		127	127	0		02/15/2014	1FE.....
2499999. Total Bonds - U.S. Political Subdivisions of States, Territories and Possessions.....						1,114,967	1,115,000	1,037,485	1,112,644	0	2,195	0	2,195	0	1,114,839	0	127	127	0	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
3128H7 X8 0	FEDERAL HOME LOAN MTG CORP #E99703.....		03/01/2014	PAYDOWN.....		15,848	15,848	16,093	15,852		(4)		(4)		15,848			0	119	10/01/2018	1FE.....
3128MJ S4 3	FEDERAL HOME LN MTG CORP #G08538.....		03/01/2014	PAYDOWN.....		63,790	63,790	64,312	63,794		(5)		(5)		63,790			0	358	07/01/2043	1FE.....
3128PN AW 8	FEDERAL HOME LOAN MTG CORP #J09921.....		03/01/2014	PAYDOWN.....		107,090	107,090	108,697	107,124		(34)		(34)		107,090			0	633	07/01/2024	1FE.....
3128PN BR 8	FEDERAL HOME LOAN MTG CORP #J09948.....		03/01/2014	PAYDOWN.....		75,256	75,256	76,384	75,277		(21)		(21)		75,256			0	506	07/01/2024	1FE.....
3128PP 5E 9	FEDERAL HOME LOAN MTG CORP #J10845.....		03/01/2014	PAYDOWN.....		4,372	4,372	4,494	4,373		(1)		(1)		4,372			0	33	10/01/2024	1FE.....
3128PQ UU 3	FEDERAL HOME LOAN MTG CORP #J11495.....		03/01/2014	PAYDOWN.....		183,421	183,421	190,929	183,680		(259)		(259)		183,421			0	1,338	02/01/2025	1FE.....
3128PU ND 0	FEDERAL HOME LOAN MTG CORP #J14888.....		03/01/2014	PAYDOWN.....		42,600	42,600	43,159	42,607		(7)		(7)		42,600			0	247	04/01/2026	1FE.....
312962 5L 3	FEDERAL HOME LOAN MTG CORP #B10851.....		03/01/2014	PAYDOWN.....		11,278	11,278	11,526	11,284		(7)		(7)		11,278			0	86	11/01/2018	1FE.....
312964 E9 6	FEDERAL HOME LOAN MTG CORP #B11960.....		03/01/2014	PAYDOWN.....		12,471	12,471	12,565	12,473		(2)		(2)		12,471			0	75	01/01/2019	1FE.....
31306X 2B 8	FEDERAL HOME LN MTG CORP #J20770.....		03/01/2014	PAYDOWN.....		42,313	42,313	44,478	42,344		(31)		(31)		42,313			0	184	10/01/2027	1FE.....
31307B 6T 2	FEDERAL HOME LN MTG CORP #J23582.....		03/01/2014	PAYDOWN.....		26,744	26,744	27,479	26,754		(11)		(11)		26,744			0	135	05/01/2028	1FE.....
3132GT PH 4	FEDERAL HOME LN MTG CORP #Q08224.....		03/01/2014	PAYDOWN.....		137,553	137,553	138,671	137,561		(8)		(8)		137,553			0	631	05/01/2042	1FE.....
3132L5 AF 0	FEDERAL HOME LN MTG CORP #V80006.....		03/01/2014	PAYDOWN.....		29,601	29,601	30,928	29,611		(10)		(10)		29,601			0	142	04/01/2043	1FE.....
3136AF EC 4	FANNIE MAE 13-72 NA.....		03/01/2014	PAYDOWN.....		13,039	13,039	13,095			0		0	13,039			0	27	08/25/2042	1FE.....	
3136AF W6 7	FANNIE MAE 13-83 MH.....		03/01/2014	PAYDOWN.....		51,375	51,375	54,650	51,409		(34)		(34)		51,375			0	334	08/25/2043	1FE.....
3136AG VN 9	FANNIE MAE 13-100 PK.....		03/01/2014	PAYDOWN.....		12,237	12,237	12,773	12,245		(8)		(8)		12,237			0	72	03/25/2043	1FE.....
3137A1 X9 9	FREDDIE MAC -3719 LE.....		03/01/2014	PAYDOWN.....		38,188	38,188	39,233	38,227		(38)		(38)		38,188			0	234	08/15/2028	1FE.....
3137A3 RL 5	FREDDIE MAC -3782 PG.....		03/01/2014	PAYDOWN.....		62,789	62,789	64,221	62,837		(48)		(48)		62,789			0	234	11/15/2028	1FE.....
3137A5 X2 5	FREDDIE MAC -3786 WE.....		03/01/2014	PAYDOWN.....		125,226	125,226	127,280	125,287		(61)		(61)		125,226			0	401	12/15/2028	1FE.....
3138A3 DM 6	FEDERAL NATIONAL MTG ASSOC #AH1907.....		03/01/2014	PAYDOWN.....		102,748	102,748	107,002	102,926		(177)		(177)		102,748			0	796	03/01/2026	1FE.....
3138A6 ZQ 6	FEDERAL NATIONAL MTG ASSOC #AH5250.....		03/01/2014	PAYDOWN.....		15,853	15,853	16,509	15,857		(4)		(4)		15,853			0	106	03/01/2026	1FE.....
3138MF P7 6	FEDERAL NATIONAL MTG ASSOC #AQ0445.....		03/01/2014	PAYDOWN.....		10,030	10,030	10,547	10,033		(4)		(4)		10,030			0	47	10/01/2042	1FE.....
3138MG LE 3	FEDERAL NATIONAL MTG ASSOC #AQ1224.....		03/01/2014	PAYDOWN.....		27,915	27,915	29,214	27,927		(13)		(13)		27,915			0	178	11/01/2042	1FE.....
3138MK 5J 1	FEDERAL NATIONAL MTG ASSOC #AQ4448.....		03/01/2014	PAYDOWN.....		43,678	43,678	45,814	43,695		(16)		(16)		43,678			0	249	11/01/2042	1FE.....
3138X6 A5 4	FEDERAL NATIONAL MTG ASSOC #AU6327.....		03/01/2014	PAYDOWN.....		28,504	28,504	29,139	28,515		(11)		(11)		28,504			0	144	08/01/2028	1FE.....
31397N 5G 6	FANNIE MAE 09-38 AB.....		03/01/2014	PAYDOWN.....		135,032	135,032	143,471	135,358		(326)		(326)		135,032			0	942	06/25/2024	1FE.....
31397U XA 2	FANNIE MAE 11-61 MG.....		03/01/2014	PAYDOWN.....		129,601	129,601	138,126	129,774		(173)		(173)		129,601			0	878	07/25/2026	1FE.....
31398C D4 7	FREDDIE MAC -3527 DA.....		03/01/2014	PAYDOWN.....		26,542	26,542	27,525	26,564		(22)		(22)		26,542			0	176	04/15/2029	1FE.....
31398M FS 0	FNR 2010-17 CA.....		03/01/2014	PAYDOWN.....		7,532	7,532	7,818	7,547		(15)		(15)		7,532			0	53	11/25/2023	1FE.....
31398P QS 1	FANNIE MAE 10-40 DN.....		03/01/2014	PAYDOWN.....		38,743	38,743	39,469	38,767		(25)		(25)		38,743			0	219	03/25/2028	1FE.....
31418A MW 5	FEDERAL NATIONAL MTG ASSOC #MA1272.....		03/01/2014	PAYDOWN.....		14,049	14,049	14,778	14,056		(7)		(7)		14,049			0	70	12/01/2042	1FE.....

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## SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
575566 L3 6	MASSACHUSETTS ST BAY TRANSPRTN.....	03/01/2014	SINK FUND PAYMENT.....		690,000	690,000	770,282	689,228		772		772		690,000			0	21,390	03/01/2016	1FE.....	
62888V AB 4	NCUA GUARANTEED NOTES 10-R1 2A.....	03/04/2014	PAYDOWN.....		124,257	124,257	124,246	124,243		13		13		124,257			0	377	10/07/2020	1FE.....	
646139 D8 5	NEW JERSEY ST TURNPIKE AUTH.....	01/01/2014	SINK FUND PAYMENT.....		245,000	245,000	248,675	245,000				0		245,000			0	5,209	01/01/2016	1FE.....	
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....					2,694,675	2,694,675	2,833,582	2,682,229	0	(597)	0	(597)	0	2,694,675	0	0	0	36,623	XXX	XXX	
<b>Bonds - Industrial and Miscellaneous</b>																					
00253C HW 0	AAMES MTG TR 02 2 A2.....	03/01/2014	PAYDOWN.....		27	27	27	27				0		27			0		03/25/2033	1FM.....	
03063N AA 5	AMERICOLD LLC TRUST 10-ARTA A1.....	03/11/2014	PAYDOWN.....		22,461	22,461	22,461	22,461				0		22,461			0	144	01/14/2029	1FM.....	
14041N DL 2	CAPITAL ONE MULTI-ASSET EXECUT 07-A2 A2.....	01/30/2014	RBS SECURITIES INC.....		2,484,766	2,500,000	2,477,734	2,481,296	653		653		2,481,949		2,817	2,817	780	12/16/2019	1FE.....		
22541Q 4C 3	CSFB MTG SECS CORP 03 29 6A1.....	03/01/2014	PAYDOWN.....		18,801	18,801	18,730	18,800	1		1		18,801			0	183	11/25/2018	1FM.....		
23305X AS 0	DBUBS MORTGAGE TRUST 11-LC2A A1FL.....	03/10/2014	PAYDOWN.....		33,206	33,206	33,206	33,206				0		33,206			0	89	07/12/2044	1FM.....	
263534 BV 0	EI DU PONT DE NEMOURS.....	01/15/2014	MATURITY.....		170,000	170,000	189,448	170,200	(200)		(200)		170,000			0	4,994	01/15/2014	1FE.....		
337367 AB 2	A2.....	02/12/2014	PRIOR PERIOD INCOME.....									0					552	11/18/2035			
36249K AA 8	A1.....	03/01/2014	PAYDOWN.....		310,059	310,059	319,355	310,262	(203)		(203)		310,059			0	4,214	05/10/2020	1FM.....		
38141E A3 3	GOLDMAN SACHS GROUP INC.....	02/12/2014	GOLDMAN SACHS.....		758,543	750,000	824,385	756,346	(2,486)		(2,486)		753,861		4,682	4,682	13,375	05/01/2014	1FE.....		
57165L AA 2	MARRIOTT VACATION CLUB OWNER T 10-1A A.....	03/20/2014	PAYDOWN.....		27,180	27,180	27,177	27,131	49		49		27,180			0	161	10/20/2032	1FE.....		
59549P AA 6	MID-STATE TR 4 A.....	01/01/2014	PAYDOWN.....		770	770	814	770				0	770			0	16	04/01/2030	3AM.....		
65476H AD 2	NISSAN AUTO RECEIVABLES OWNER 11-A A4.....	03/15/2014	PAYDOWN.....		237,071	237,071	237,018	236,902	170		170		237,071			0	886	09/15/2017	1FE.....		
74005P AS 3	PRAXAIR INC.....	03/31/2014	MATURITY.....		1,000,000	1,000,000	1,064,530	1,064,530	0		0		1,064,530		(64,530)	(64,530)	21,875	03/31/2014	1FE.....		
76110V LB 2	RESIDENTIAL FDG MTG SECS II 02 HI4 M1.....	03/01/2014	PAYDOWN.....		600	600	599	600				0	600			0	6	10/25/2027	1FM.....		
79548K XP 8	SALOMON BROS MTG SECS VII 97 HUD2 AWAC.....	03/01/2014	PAYDOWN.....		606	606	497	605	1		1		606			0	4	07/25/2024	1FM.....		
833034 AF 8	SNAP-ON INC.....	03/01/2014	MATURITY.....		250,000	250,000	271,000	250,935	(935)		(935)		250,000			0	7,313	03/01/2014	1FE.....		
86358R XZ 5	STRUCTURED ASSET SECS CORP 02 AL1 A3.....	03/01/2014	PAYDOWN.....		686	686	603	603				0	603			83	83	02/25/2032	1FM.....		
86359A ME 0	STRUCTURED ASSET SECS CORP 03 AL1 A.....	03/01/2014	PAYDOWN.....		3,635	3,635	3,483	3,497				0	3,497		138	138	20	04/25/2031	1FM.....		
92903P AA 7	VNO 2010-VNO A1.....	03/10/2014	PAYDOWN.....		34,918	34,918	34,918	34,893	25		25		34,918			0	173	09/13/2028	1FM.....		
92976B DT 6	WACHOVIA BK COMM MTG TR 06 C23 A4.....	03/01/2014	PAYDOWN.....		16,891	16,891	18,456	16,922	(31)		(31)		16,891			0	155	01/15/2045	1FM.....		
3899999. Total Bonds - Industrial and Miscellaneous.....					5,370,220	5,376,911	5,544,441	5,429,986	0	(2,956)	0	(2,956)	0	5,427,030	0	(56,810)	(56,810)	54,944	XXX	XXX	
8399997. Total Bonds - Part 4.....					10,366,159	10,372,883	10,603,286	10,411,177	0	(1,379)	0	(1,379)	0	10,422,841	0	(56,683)	(56,683)	98,245	XXX	XXX	
8399999. Total Bonds.....					10,366,159	10,372,883	10,603,286	10,411,177	0	(1,379)	0	(1,379)	0	10,422,841	0	(56,683)	(56,683)	98,245	XXX	XXX	
<b>Common Stocks - Mutual Funds</b>																					
78462F 10 3	SPDR S&P 500 ETF TRUST.....	01/14/2014	JP MORGAN SECURITIES INC.....	1,900,000	347,751	XXX	237,652	350,911	(113,259)			(113,259)		237,652		110,099	110,099	2,076	XXX	L.....	
9299999. Total Common Stocks - Mutual Funds.....					347,751	XXX	237,652	350,911	(113,259)	0	0	(113,259)	0	237,652	0	110,099	110,099	2,076	XXX	XXX	
9799997 Total Common Stocks - Part 4.....					347,751	XXX	237,652	350,911	(113,259)	0	0	(113,259)	0	237,652	0	110,099	110,099	2,076	XXX	XXX	
9799999. Total Common Stocks.....					347,751	XXX	237,652	350,911	(113,259)	0	0	(113,259)	0	237,652	0	110,099	110,099	2,076	XXX	XXX	
9899999. Total Preferred and Common Stocks.....					347,751	XXX	237,652	350,911	(113,259)	0	0	(113,259)	0	237,652	0	110,099	110,099	2,076	XXX	XXX	
9999999. Total Bonds, Preferred and Common Stocks.....					10,713,910	XXX	10,840,938	10,762,088	(113,259)	(1,379)	0	(114,638)	0	10,660,493	0	53,416	53,416	100,321	XXX	XXX	

QE05.1

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

**Sch. DB-Pt A-Sn 1  
NONE**

**Sch. DB-Pt A-Sn 1-Footer A  
NONE**

**Sch. DB-Pt A-Sn 1-Footer B  
NONE**

**Sch. DB-Pt B-Sn 1  
NONE**

**Sch. DB-Pt B-Sn 1-Footer A  
NONE**

**Sch. DB-Pt B-Sn 1-Footer B  
NONE**

**Sch. DB-Pt B-Sn 1B-Broker List  
NONE**

**Sch. DB-Pt D-Sn 1  
NONE**

**Sch. DB-Pt D-Sn 2  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

Statement for March 31, 2014 of the **Safe Auto Insurance Company**  
**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
PNC PRIME MONEY MARKET FUND.....			.....47		.....58,024	.....58,027	.....58,029	XXX..
ML BUSINESS DEPOSIT PROGRAM.....			.....6				.....801,638	XXX..
BBIF MONEY FUND CLASS 4.....							.....1,001,691	XXX..
FFI INST FUND.....			.....82		.....1,915,783	.....1,470,534	.....498,104	XXX..
PREFERRED DEPOSIT (BUS).....					.....250,216	.....250,244	.....50,007	XXX..
INTEREST RECEIVED DURING QTR ON DISPOSED HOLDINGS			.....168					XXX..
JP MORGAN CHASE..... COLUMBUS, OH.....					.....7,858,318	.....7,308,068	.....10,692,202	XXX..
PITNEY BOWES..... PITTSBURGH, PA.....					.....202,137	.....127,166	.....202,203	XXX..
US BANK..... COLUMBUS, OH.....					.....81,760	.....134,086	.....177,322	XXX..
FEDERAL HOME LOAN BANK..... CINCINNATI, OH.....					.....95,936	.....95,936	.....102,888	XXX..
MERRILL LYNCH..... COLUMBUS, OH.....					.....1	.....1	.....64,197	XXX..
0199999. Total Open Depositories.....	...XXX...	...XXX...	.....303	.....0	.....10,462,175	.....9,444,062	.....13,648,281	XXX..
0399999. Total Cash on Deposit.....	...XXX...	...XXX...	.....303	.....0	.....10,462,175	.....9,444,062	.....13,648,281	XXX..
0599999. Total Cash.....	...XXX...	...XXX...	.....303	.....0	.....10,462,175	.....9,444,062	.....13,648,281	XXX..

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>U.S. Government Bonds - Issuer Obligations</b>							
TREASURY BILL.....		02/20/2014	0.046	04/17/2014	1,399,971		72
0199999. U.S. Government Bonds - Issuer Obligations.....					1,399,971	0	72
0599999. Total - U.S. Government Bonds.....					1,399,971	0	72
<b>Total Bonds</b>							
7799999. Subtotals - Issuer Obligations.....					1,399,971	0	72
8399999. Subtotals - Bonds.....					1,399,971	0	72
8699999. Total - Cash Equivalents.....					1,399,971	0	72

QE13



## DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For the Period Ended March 31, 2014

NAIC Group Code.....0

NAIC Company Code.....25405

Company Name: Safe Auto Insurance Company

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies	1 Direct Written Premiums	2 Direct Earned Premiums	3 Direct Losses Incurred

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? ..... Yes [ ] No [ X ]
- 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? ..... Yes [ ] No [ X ]
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies:
  - 2.31 Amount quantified: ..... \_\_\_\_\_
  - 2.32 Amount estimated using reasonable assumptions: ..... \_\_\_\_\_
- 2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverages provided in CMP packaged policies: ..... \_\_\_\_\_