



QUARTERLY STATEMENT

AS OF MARCH 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

WESTERN RESERVE MUTUAL CASUALTY COMPANY

NAIC Group Code 0207 , 0207 NAIC Company Code 26131 Employer's ID Number 34-0613930
(Current Period) (Prior Period)

Organized under the Laws of Ohio , State of Domicile or Port of Entry Ohio
Country of Domicile United States

Incorporated/Organized 06/29/1937 Commenced Business 07/30/1937

Statutory Home Office 1685 Cleveland Road , Wooster, OH, US 44691-0036
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1685 Cleveland Road Wooster, OH, US 44691-0036 330-262-9060
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1685 Cleveland Road , Wooster, OH, US 44691-0036
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1685 Cleveland Road Wooster, OH, US 44691-0036 330-262-9060
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.wrg-ins.com

Statutory Statement Contact Brooke M McVay, CPA 330-262-9060-2446
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OFFICERS

Name	Title	Name	Title
<u>KEVIN W. DAY</u>	<u>PRESIDENT AND SECRETARY - CHIEF EXECUTIVE OFFICER</u>	<u>MICHAEL A. SHUTT</u>	<u>VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER</u>

OTHER OFFICERS

<u>GREGORY A. BRUNN</u>	<u>VICE PRESIDENT-CHIEF MARKETING & UNDERWRITING OFFICER</u>	<u>GARY W. GWINN</u>	<u>VICE PRESIDENT-CHIEF CLAIMS OFFICER</u>
<u>GREGORY J. OWEN</u>	<u>VICE PRESIDENT-CHIEF INFORMATION OFFICER</u>		

DIRECTORS OR TRUSTEES

<u>ROBERT P. BOGNER</u>	<u>KEVIN W. DAY</u>	<u>JEFFREY P. HASTINGS</u>	<u>RONALD E. HOLTMAN</u>
<u>JOHN P. MURPHY</u>	<u>C. MICHAEL REARDON</u>	<u>EDDIE L. STEINER</u>	<u>KENNETH L. VAGNINI</u>

State ofOhio.....

County ofWayne.....ss

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

KEVIN W. DAY
PRESIDENT AND SECRETARY -CHIEF
EXECUTIVE OFFICER

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

a. Is this an original filing? Yes [X] No []

b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Subscribed and sworn to before me this
13th day of May, 2014

Lauresa Durham, Notary Public
July 30, 2016

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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	92,411,233		92,411,233	91,077,665
2. Stocks:				
2.1 Preferred stocks	823,280		823,280	807,128
2.2 Common stocks	51,698,562	299,502	51,399,060	50,559,976
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	7,504,527		7,504,527	7,560,162
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$(11,259,310)), cash equivalents (\$0) and short-term investments (\$2,153,302)	(9,106,008)		(9,106,008)	(5,638,504)
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	4,372,082	1,787,346	2,584,736	3,480,483
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets	0		0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	147,703,676	2,086,848	145,616,828	147,846,910
13. Title plants less \$ charged off (for Title insurers only)	0		0	0
14. Investment income due and accrued	990,776		990,776	916,972
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	27,054,056	207,498	26,846,558	26,966,974
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	0		0	0
15.3 Accrued retrospective premiums	0		0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	16,745		16,745	30,525
16.2 Funds held by or deposited with reinsured companies	0		0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	688,088		688,088	1,157,056
18.2 Net deferred tax asset	0		0	0
19. Guaranty funds receivable or on deposit	0		0	0
20. Electronic data processing equipment and software	2,003,608	1,172,574	831,034	921,552
21. Furniture and equipment, including health care delivery assets (\$)	109,406	109,406	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	0
24. Health care (\$) and other amounts receivable	0		0	0
25. Aggregate write-ins for other-than-invested assets	223,650	223,650	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	178,790,005	3,799,976	174,990,029	177,839,989
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0		0	0
28. Total (Lines 26 and 27)	178,790,005	3,799,976	174,990,029	177,839,989
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expense	223,650	223,650	0	
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	223,650	223,650	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 4,640,511)	23,458,905	23,423,302
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	4,671,215	4,671,215
4. Commissions payable, contingent commissions and other similar charges	1,523,261	3,165,026
5. Other expenses (excluding taxes, licenses and fees)	1,605,051	3,182,130
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,161,998	923,460
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	1,143,612	975,812
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	34,613,351	34,990,589
10. Advance premium	797,645	553,301
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(390,686)	384,801
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	2,360,381	3,265,868
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	105,256	515,312
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	4,000	167,685
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	71,053,989	76,218,501
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	71,053,989	76,218,501
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	103,936,040	101,621,488
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	103,936,040	101,621,488
38. Totals (Page 2, Line 28, Col. 3)	174,990,029	177,839,989
DETAILS OF WRITE-INS		
2501. Accrued Expenses	4,000	0
2502. Accrued Capital Expenses		167,685
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,000	167,685
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 25,610,731)	26,494,614	25,431,293	104,001,789
1.2 Assumed (written \$ 18,329,600)	18,706,871	16,263,896	72,399,979
1.3 Ceded (written \$ 25,610,731)	26,494,647	23,997,212	104,001,789
1.4 Net (written \$ 18,329,600)	18,706,838	17,697,977	72,399,979
DEDUCTIONS:			
2. Losses incurred (current accident year \$):)			
2.1 Direct	11,944,562	11,403,432	59,053,911
2.2 Assumed	9,649,392	8,592,765	39,165,517
2.3 Ceded	11,944,562	12,518,791	59,053,911
2.4 Net	9,649,392	7,477,406	39,165,517
3. Loss adjustment expenses incurred	1,788,320	1,535,395	7,347,992
4. Other underwriting expenses incurred	5,895,745	5,502,304	24,736,412
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	17,333,457	14,515,105	71,249,921
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	1,373,381	3,182,872	1,150,058
INVESTMENT INCOME			
9. Net investment income earned	903,254	885,772	3,501,348
10. Net realized capital gains (losses) less capital gains tax of \$ 70,804	137,443	226,625	621,410
11. Net investment gain (loss) (Lines 9 + 10)	1,040,697	1,112,396	4,122,758
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 16,164)	(16,164)	(14,311)	(71,563)
13. Finance and service charges not included in premiums	300,420	285,121	1,186,300
14. Aggregate write-ins for miscellaneous income	(1,026)	401	667
15. Total other income (Lines 12 through 14)	283,230	271,210	1,115,404
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,697,308	4,566,479	6,388,220
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	2,697,308	4,566,479	6,388,220
19. Federal and foreign income taxes incurred	398,164	(116,746)	(77,176)
20. Net income (Line 18 minus Line 19)(to Line 22)	2,299,144	4,683,225	6,465,396
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	101,621,488	92,481,819	92,481,819
22. Net income (from Line 20)	2,299,144	4,683,225	6,465,396
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 150,408	291,968	1,986,697	3,806,826
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(17,392)	(1,619,474)	(580,743)
27. Change in nonadmitted assets	(259,168)	129,986	(1,051,353)
28. Change in provision for reinsurance	0	0	213,119
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	40,221	286,424
38. Change in surplus as regards policyholders (Lines 22 through 37)	2,314,552	5,220,654	9,139,669
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	103,936,040	97,702,473	101,621,488
DETAILS OF WRITE-INS			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income (Expense)	(1,026)	401	667
1402. Gain/(Loss) sale of Equipment	0	0	0
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(1,026)	401	667
3701. Change in Surplus Due to Prior Period Adjustment (see Footnote 2)	0	0	40,754
3702. Change in Surplus Due to Correction of a Depreciation Error (see Footnote 2)	0	0	(690)
3703. Change in Surplus Due to Change in Depreciation Method (see Footnote 2)	0	0	167,912
3798. Summary of remaining write-ins for Line 37 from overflow page	0	40,221	78,448
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	40,221	286,424

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	17,892,211	17,034,947	72,161,424
2. Net investment income	862,167	797,854	3,837,946
3. Miscellaneous income	283,230	271,210	1,115,404
4. Total (Lines 1 to 3)	19,037,608	18,104,011	77,114,774
5. Benefit and loss related payments	9,600,009	7,537,177	36,050,494
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	10,620,081	7,936,715	29,403,678
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	1,400,075
10. Total (Lines 5 through 9)	20,220,090	15,473,892	66,854,247
11. Net cash from operations (Line 4 minus Line 10)	(1,182,482)	2,630,119	10,260,527
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,533,675	2,434,078	9,725,383
12.2 Stocks	12,941	5,603,488	19,684,495
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	1,360,958	431,480	818,287
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	55,636	36,994	227,730
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,963,210	8,506,040	30,455,895
13. Cost of investments acquired (long-term only):			
13.1 Bonds	2,921,357	4,136,090	20,668,116
13.2 Stocks	279,024	4,815,192	16,990,857
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	1,743
13.5 Other invested assets	0	131,000	767,000
13.6 Miscellaneous applications	0	19,312	187,349
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,200,381	9,101,594	38,615,065
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(237,171)	(595,555)	(8,159,170)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	(2,037,834)	(407,367)	(810,615)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(2,037,834)	(407,367)	(810,615)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,457,487)	1,627,197	1,290,742
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(5,648,521)	(6,939,263)	(6,939,263)
19.2 End of period (Line 18 plus Line 19.1)	(9,106,008)	(5,312,066)	(5,648,521)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Western Reserve Mutual Casualty Company (WRMCC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

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

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

No significant changes.

C. Accounting Policy

No significant changes.

2. Accounting Changes and Corrections of Errors

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual are reported as changes in accounting principles. The cumulative effect of the changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all periods.

Effective January 1, 2013 the Company adopted the provisions of SSAP No. 102, *Accounting for Pensions, A Replacement of SSAP No. 89*. As a result, the Company recorded an adjustment to unassigned funds (surplus) net of deferred tax (\$32,815) of \$63,700.

Effective July 1, 2013, the Company changed its method of depreciation from Modified Accelerated Cost Recovery System (MACRS) to straight—line as the Company believes the straight—line method would more appropriately allocate the cost over the useful life. The cumulative effect of this change in accounting principle was recorded as an adjustment to unassigned funds (surplus) in accordance with SSAP No. 3 *Accounting Changes and Errors*. The adjustment increased surplus by \$167,912. The Company also recorded an adjustment to surplus to correct the book values of assets that should have been fully depreciated. The impact to surplus was a decrease of \$690.

In accordance with SSAP No. 3 *Accounting Changes and Errors*, the Company recorded a prior period adjustment to true—up the cost bases of mutual funds for prior year distributions originally reported as return of capital that the fund later reclassified as dividends. The net impact to surplus was an increase of \$40,754.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loans

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

NOTES TO FINANCIAL STATEMENTS

- D. Loan-Backed Securities
Not applicable.
- E. Repurchase Agreements and/or Securities Lending Transactions
Not applicable.
- F. Real Estate
Not applicable.
- G. Low-income Housing Tax Credits (LIHTC)
Not applicable.
- H. Restricted Assets
Not applicable.
- I. Working Capital Finance Investments
Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

7. Investment Income

No significant changes.

8. Derivative Instruments

No significant changes.

9. Income Taxes

- A. The components of the net deferred tax asset/(liability) at March 31, 2014 and December 31, 2013 are as follows:

1.

	03/31/2014		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 7,205,835	\$ 813,651	\$ 8,019,486
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	7,205,835	813,651	8,019,486
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	7,205,835	813,651	8,019,486
(f) Deferred Tax Liabilities	(598,387)	(8,564,710)	(9,163,097)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 6,607,448</u>	<u>\$ (7,751,059)</u>	<u>\$ (1,143,612)</u>
	12/31/2013		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 7,111,526	\$ 889,056	\$ 8,000,582
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	7,111,526	889,056	8,000,582
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	7,111,526	889,056	8,000,582
(f) Deferred Tax Liabilities	(562,091)	(8,414,303)	(8,976,394)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 6,549,435</u>	<u>\$ (7,525,247)</u>	<u>\$ (975,812)</u>

NOTES TO FINANCIAL STATEMENTS

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ 94,308	\$ (75,405)	\$ 18,903
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	94,308	(75,405)	18,903
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	94,308	(75,405)	18,903
(f) Deferred Tax Liabilities	(36,295)	(150,408)	(186,703)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 58,013</u>	<u>\$ (225,812)</u>	<u>\$ (167,800)</u>
2. Admission Calculation Components SSAP No. 101			
	03/31/2014		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ —	\$ —	\$ —
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	2,783,940	—	2,783,940
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,783,940	—	2,783,940
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	15,465,751
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>4,421,895</u>	<u>813,651</u>	<u>5,235,546</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 7,205,835</u>	<u>\$ 813,651</u>	<u>\$ 8,019,486</u>
	12/31/2013		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ —	\$ —	\$ —
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	2,783,940	—	2,783,940
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,783,940	—	2,783,940
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	15,104,990
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>4,327,586</u>	<u>889,056</u>	<u>5,216,642</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 7,111,526</u>	<u>\$ 889,056</u>	<u>\$ 8,000,582</u>

NOTES TO FINANCIAL STATEMENTS

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ —	\$ —	\$ —
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	—	—	—
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	360,761
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>94,308</u>	<u>(75,405)</u>	<u>18,903</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 94,308</u>	<u>\$ (75,405)</u>	<u>\$ 18,903</u>
3.			
	<u>2014</u>	<u>2013</u>	
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%	
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$103,105,066	\$100,699,936	
4. Impact of Tax-Planning Strategies			
	<u>03/31/2014</u>		
	(1)	(2)	
	<u>Ordinary</u>	<u>Capital</u>	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 7,205,835	\$ 813,651	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 7,205,835	\$ 813,651	
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
	<u>12/31/2013</u>		
	(3)	(4)	
	<u>Ordinary</u>	<u>Capital</u>	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 7,111,527	\$ 889,056	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$7,111,527	889,056	
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of The Impact Of Tax Planning Strategies	0%	0%	

NOTES TO FINANCIAL STATEMENTS

	Change		
	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 94,308	\$ (75,405)	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ 94,308	\$ (75,405)	
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes _____ No <u>X</u>			
B. The Company has no temporary differences for which deferred tax liabilities are not recognized.			
C. Current income taxes incurred consist of the following major components:			
	(1)	(2)	(3)
	03/31/2014	12/31/2013	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 398,164	\$ (77,176)	\$ 475,340
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 398,164	\$ (77,176)	\$ 475,340
(d) Federal income tax on net capital gains	\$ 70,804	\$ 320,120	\$ (249,316)
(e) Utilization of operating loss carry-forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 468,968</u>	<u>\$ 242,944</u>	<u>\$ 226,024</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 408,385	\$ 408,385	\$ —
(2) Unearned premium reserve	\$ 2,353,708	\$ 2,379,360	\$ (25,652)
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed Assets/prepaid expense	\$ 582,464	\$ 325,212	\$ 257,252
(8) Compensation and benefits accrual	\$ 775,710	\$ 843,939	\$ (68,229)
(9) Pension accrual	\$ 205,791	\$ 205,520	\$ 271
(10) Receivables – nonadmitted	\$ 607,698	\$ 776,540	\$ (168,842)
(11) Net operating loss carry-forward	\$ —	\$ 522,656	\$ (522,656)
(12) Tax credit carry-forward	\$ 1,068,208	\$ 599,240	\$ 468,968
(13) Other (including items <5% of total ordinary tax assets):			
(14) Salvage and subrogation anticipated	\$ 707,095	\$ 707,095	\$ —
(15) Software capitalized	\$ 426,717	\$ 290,715	\$ 136,002
(16) Other	\$ 70,059	\$ 52,865	\$ 17,194
(99) Subtotal	\$ 7,205,835	\$ 7,111,527	\$ 94,308
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 7,205,835</u>	<u>\$ 7,111,527</u>	<u>\$ 94,308</u>

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	03/31/2014	12/31/2013	(Col 1-2) Change
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry-forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 813,651	\$ 889,056	\$ (75,405)
(99) Subtotal	\$ 813,651	\$ 889,056	\$ (75,405)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ 813,651	\$ 889,056	\$ (75,405)
(i) Admitted deferred tax assets (2d + 2h)	\$ 8,019,486	\$ 8,000,583	\$ 18,903
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ (352,573)	\$ (360,709)	\$ (11,864)
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities):			
(6) Accumulated amortization software	\$ (156,197)	\$ (129,266)	\$ (26,931)
(7) Other	\$ (69,617)	\$ (72,116)	\$ 2,499
(99) Subtotal	\$ (598,387)	\$ (562,091)	\$ (36,294)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (8,564,710)	\$ (8,414,303)	\$ (150,407)
(99) Subtotal	\$ (8,564,710)	\$ (8,414,303)	\$ (150,407)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ (9,163,097)	\$ (8,976,394)	\$ (186,703)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ (1,143,612)	\$ (975,812)	\$ (167,800)
D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. Among the more significant book to tax adjustments were the following:			
	03/31/2014	Effective Tax Rate	
Provision computed at statutory rate	\$ 941,158	34.0%	
Tax exempt interest	(56,427)	(2.0%)	
Dividends received deduction	(54,612)	(2.0%)	
Change in deferred tax on nonadmitted assets	(88,409)	(3.2%)	
Other	(255,352)	(9.2%)	
Total	\$ 486,358	17.6%	
Federal and foreign income taxes incurred	\$ 398,164	14.4%	
Tax on capital gains (losses)	70,804	2.6%	
Change in net deferred income taxes	17,390	0.6%	
Total statutory income taxes	\$ 486,358	17.6%	

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

(1) As of March 31, 2014, the Company had no net operating loss carry-forwards available for tax purposes.

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

As of March 31, 2014, the Company had alternative minimum tax (AMT) credit carry-forwards in the amount of \$1,068,208 which do not have an expiration date.

(2) As of March 31, 2014, the Company had no federal income taxes incurred available for recoupment in the event of future net losses.

NOTES TO FINANCIAL STATEMENTS

(3) The Company has no deposits reported as admitted assets under IRC §6603 as March 31, 2014.

F. The Company files an individual federal income tax return.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Not applicable.

B. Not applicable.

C. Not applicable.

D. At March 31, 2014 there was an intercompany payable of \$105,256 due to its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.

E. Not applicable.

F. No significant change.

G. No significant change.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. No significant change.

11. Debt

Not applicable.

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

A. Defined Benefit Plans

The Company has a non-qualified, unfunded, directors' retirement plan and a retiree healthcare plan which is closed to new participants. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of March 31, 2014 and December 31, 2013, amounts held for these deferrals were \$5.7 million and \$7.9 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

E. Defined Contribution Plans

No significant change.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.
- (7) Not applicable.
- (8) Not applicable.
- (9) Not applicable.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses before tax is \$25.2 million.
- (11) Not applicable.
- (12) Not applicable.
- (13) Not applicable.

14. Contingencies

- A. Contingent Commitments
Not applicable.
- B. Assessments
No significant changes.
- C. Gain Contingencies
Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
No significant changes.
- E. Product Warranties
Not applicable.
- F. All Other Contingencies
Not applicable.

15. Leases

No significant changes.

16. Information about Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities

- A. Transfers of Receivables Reported as Sales
Not applicable.
- B. Transfer and Servicing of Financial Assets
Not applicable.
- C. Wash Sales
Not applicable.

NOTES TO FINANCIAL STATEMENTS

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

Not applicable.

B. ASC Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Fair Value Measurements

- A. The company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820 (SFAS No. 157), *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1:

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

Level 2:

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

Level 3:

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

(1) Fair Value Measurements at March 31, 2014:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred Stock:				
Industrial and Misc	\$ 823,280	\$ —	\$ —	\$ 823,280
Total Perpetual Preferred Stocks	823,280	—	—	823,280
Common Stock:				
Mutual Funds	19,398,708			19,398,708
Industrial and Misc	31,903,668	96,684	—	32,000,352
Parent, Subsidiaries, and Affiliates	—	—	—	—
Total Common Stocks	51,302,376	96,684	—	51,399,060
Other Invested Assets	—	—	2,584,736	2,584,736
Total assets at fair value	<u>\$ 52,125,656</u>	<u>\$ 96,684</u>	<u>\$ 2,584,736</u>	<u>\$ 54,807,076</u>
b. Liabilities at fair value:				
Not applicable.				

NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements at December 31, 2013:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred Stock:				
Industrial and Misc	\$ 807,128	\$ —	\$ —	\$ 807,128
Total Perpetual Preferred Stocks	807,128	—	—	807,128
Common Stock:				
Mutual Funds	18,788,344			18,788,344
Industrial and Misc	31,673,833	97,800	—	31,741,633
Parent, Subsidiaries, and Affiliates	—	—	—	—
Total Common Stocks	50,462,177	97,800	—	50,559,977
Other Invested Assets	—	—	3,480,482	3,480,482
Total assets at fair value	\$ 51,269,305	\$ 97,800	\$ 3,480,482	\$ 54,847,587
b. Liabilities at fair value:				
Not applicable.				

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

	Beginning Balance at 01/01/2014	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	(Sales)	Ending Balance at 03/31/2014
a. Assets:						
Other Invested Assets	3,480,482	—	196,923	(147,470)	(945,199)	2,584,736
Total Assets	\$ 3,480,482	\$ —	\$ 196,923	\$ (147,470)	\$ (945,199)	\$ 2,584,736
b. Liabilities:						
Not applicable.						

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

(4) As of March 31, 2014, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

Other Invested Assets – The Company holds an investment in one partnership that is valued according to the underlying assets. The underlying assets are primarily investments in private limited partnerships in which the fair value is determined by each partnership's audited GAAP financial statements and adjusted for the Company's proportional share of the entity's earnings.

B. Not applicable.

C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 95,931,904	\$ 92,411,233	\$ 921,676	\$ 95,010,229	\$ —	\$ —
Perpetual Preferred Stock	823,280	823,280	823,280	—	—	—
Common Stock	51,399,060	51,399,060	51,302,376	96,684	—	—
Other Invested Assets	3,480,482	3,480,482	—	—	3,480,482	—

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

21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

NOTES TO FINANCIAL STATEMENTS

- C. Other Disclosures and Unusual Items
Not applicable.
- D. Business Interruption Insurance Recoveries
Not applicable.
- E. State Transferable and Non-transferable Tax Credits
Not applicable.
- F. Subprime Mortgage Related Risk Exposure
Not applicable.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through May 15, 2014 for the statutory statement issued on May 15, 2014 for the quarter ending March 31, 2014. No Type I events were identified that would have a material effect on the financial condition of the Company.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through May 15, 2014 for the statutory statement issued on May 15, 2014 for the quarter ending March 31, 2014. No Type II events were identified that would have a material effect on the financial condition of the Company.

23. Reinsurance

- A. Unsecured Reinsurance Recoverables
Not applicable.
- B. Reinsurance Recoverable in Dispute
Not applicable.
- C. Reinsurance Assumed and Ceded
No significant changes.
- D. Uncollectible Reinsurance
No significant changes.
- E. Commutation of Ceded Reinsurance
Not applicable.
- F. Retroactive Reinsurance
Not applicable.
- G. Reinsurance Accounted for as a Deposit
Not applicable.
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements
Not applicable.
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2013 were \$28.1 million. In calendar year 2014, \$5.8 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$21.5 million. Therefore, there has been a \$.8 million favorable prior year development from December 31, 2013 to March 31, 2014. The favorable development is generally the result of ongoing analysis of recent loss development trends, and from decreases in the estimates of loss and loss adjustment expenses for the following lines of business: commercial auto liability, auto physical damage, homeowners/farmowners, commercial multi-peril, other liability and special property. These decreases were offset, in part, by increases in workers compensation and private passenger auto liability. The

NOTES TO FINANCIAL STATEMENTS

re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

26. Intercompany Pooling Agreements

No significant changes.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No significant changes.

31. High Deductibles

Not applicable.

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

No significant changes.

33. Asbestos/Environmental Reserves

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

B. Not applicable.

C. Not applicable.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
(1) Direct –					
a. Beginning reserves:	\$ —	\$ 10	\$ 10	\$ 30	\$ 62
b. Incurred losses and loss adjustment expense:	55	20	28	69	2
c. Calendar year payments for losses and loss adjustment expenses:	<u>45</u>	<u>20</u>	<u>8</u>	<u>36</u>	<u>2</u>
d. Ending reserves:	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 30</u>	<u>\$ 62</u>	<u>\$ 62</u>
(2) Assumed Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

NOTES TO FINANCIAL STATEMENTS

(3) Net of Ceded Reinsurance –

a. Beginning reserves:	\$ —	\$ 10	\$ 10	\$ 30	\$ 62
b. Incurred losses and loss adjustment expense:	55	20	28	40	62
c. Calendar year payments for loss and loss adjustment expenses:	<u>45</u>	<u>20</u>	<u>8</u>	<u>7</u>	<u>—</u>
d. Ending reserves:	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 30</u>	<u>\$ 62</u>	<u>\$ —</u>

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

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

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

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

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

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 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? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 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 the 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? Yes [] No [] NA [X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2011
- 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.12/31/2011
- 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).11/26/2012
- 6.4 By what department or departments?
Ohio.....
- 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 [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 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 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

GENERAL INTERROGATORIES

- 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 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

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

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

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: \$

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:

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 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$ 300,361	\$ 299,502
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ 300,361	\$ 299,502
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

- 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? Yes No

If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the 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 Name of Custodian(s)	2 Custodian Address
FirstMerit.....	Akron, Ohio.....
Northern Trust.....	Chicago, Illinois.....

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 Name(s)	2 Location(s)	3 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 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Merrill Lynch.....	Northern Trust.....	01/01/2014.....	Competitive pricing and technology.....

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
None.....		

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

18.2 If no, list exceptions:
.....

GENERAL INTERROGATORIES

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 [X] NA []
 If yes, attach an explanation.

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.

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 Discount 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
TOTAL			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 \$ _____

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

6.4 If yes, please provide the balance of the funds administered as of the reporting date \$ _____

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

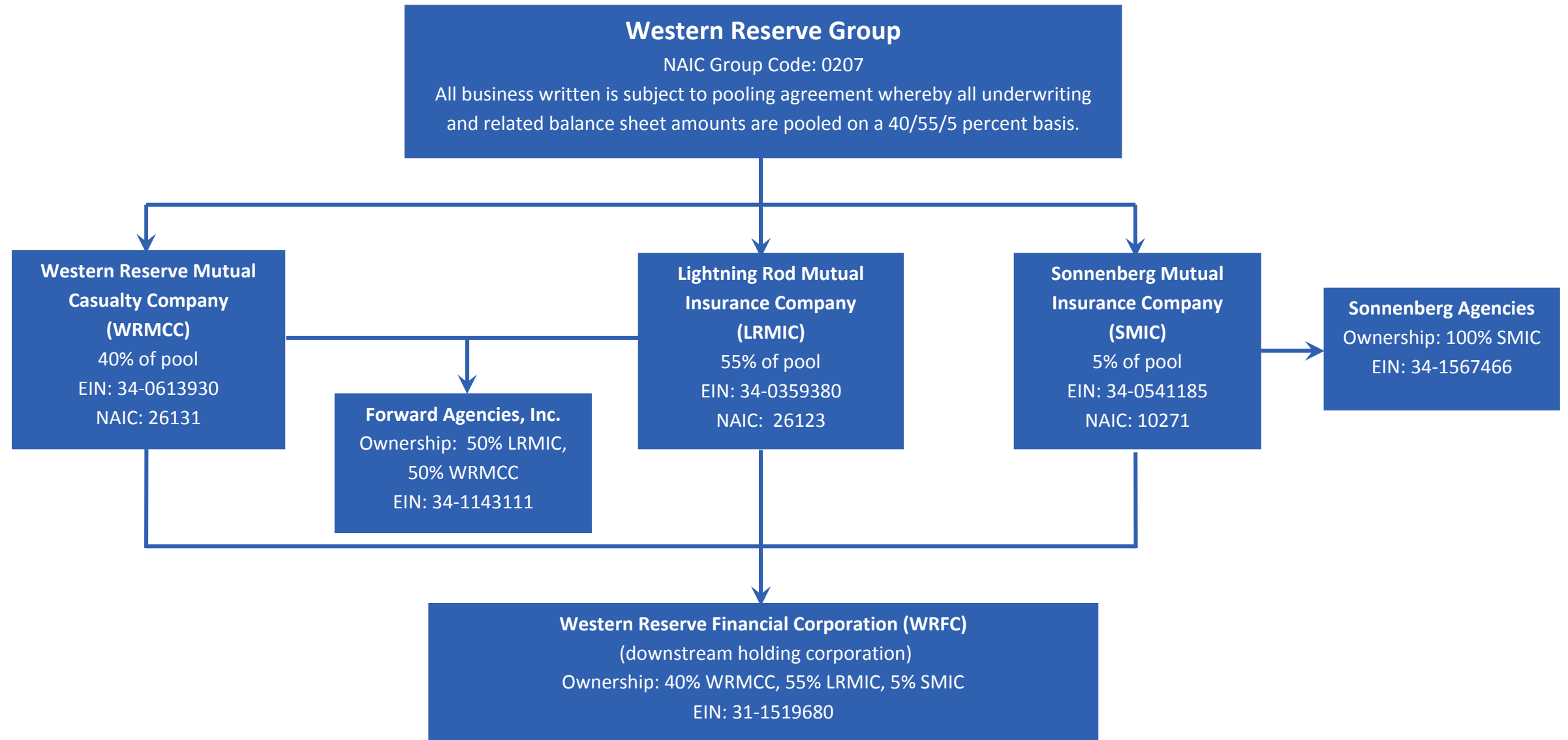
States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. Dist. Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	L	0	0	0	0	0	
15. Indiana	IN	L	7,531,520	7,473,121	4,435,381	4,076,336	12,186,019	8,908,885
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	18,079,211	17,406,875	9,136,669	9,210,021	27,751,208	28,130,503
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a)	4	25,610,731	24,879,996	13,572,050	13,286,357	39,937,227	37,039,388
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 through 58003 plus 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



PART 1 - LOSS EXPERIENCE

Line 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	812,638	(59,138)	(7.3)	21.5
2. Allied lines	441,919	282,904	64.0	44.6
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	5,288,315	1,580,290	29.9	15.1
5. Commercial multiple peril	2,826,531	44,630	1.6	28.6
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	213,015	3,618	1.7	44.3
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability -occurrence	0	0	0.0	0.0
11.2 Medical professional liability -claims made	0	0	0.0	0.0
12. Earthquake	4,855	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	297,153	134,127	45.1	49.4
17.1 Other liability occurrence	732,622	69,998	9.6	(17.4)
17.2 Other liability-claims made	2,206	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	22,866	0	0.0	32.7
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	7,914,014	5,186,251	65.5	66.9
19.3,19.4 Commercial auto liability	805,933	238,342	29.6	15.7
21. Auto physical damage	7,091,411	4,437,087	62.6	60.6
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	8,911	0	0.0	301.9
27. Boiler and machinery	32,225	26,453	82.1	5.1
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	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	0.0
35. TOTALS	26,494,614	11,944,562	45.1	44.8
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	758,852	758,852	723,918
2. Allied lines	418,313	418,313	393,598
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	4,309,399	4,309,399	4,294,278
5. Commercial multiple peril	2,762,160	2,762,160	2,602,364
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	200,705	200,705	173,517
10. Financial guaranty	0	0	0
11.1 Medical professional liability-occurrence	0	0	0
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	4,777	4,777	4,791
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	309,715	309,715	292,115
17.1 Other liability occurrence	748,515	748,515	742,498
17.2 Other liability-claims made	1,661	1,661	1,410
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	16,384	16,384	14,950
18.2 Products liability-claims made	0	0	0
19.1,19.2 Private passenger auto liability	8,001,527	8,001,527	7,731,090
19.3,19.4 Commercial auto liability	813,565	813,565	779,645
21. Auto physical damage	7,222,450	7,222,450	7,087,707
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	8,566	8,566	8,003
27. Boiler and machinery	34,142	34,142	30,112
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
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	25,610,731	25,610,731	24,879,996
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 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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	5,068	450	5,518	482	1	483	4,162	11	269	4,442	(424)	(169)	(593)
2. 2012	6,022	548	6,570	732	12	744	4,893	12	343	5,248	(397)	(181)	(578)
3. Subtotals 2012 + prior	11,090	998	12,088	1,214	13	1,227	9,055	23	612	9,690	(821)	(350)	(1,171)
4. 2013	12,318	3,691	16,009	4,181	438	4,619	9,571	218	1,993	11,782	1,434	(1,042)	392
5. Subtotals 2013 + prior	23,408	4,689	28,097	5,395	451	5,846	18,626	241	2,605	21,472	613	(1,392)	(779)
6. 2014	XXX	XXX	XXX	XXX	5,557	5,557	XXX	5,035	1,622	6,657	XXX	XXX	XXX
7. Totals	23,408	4,689	28,097	5,395	6,008	11,403	18,626	5,276	4,227	28,129	613	(1,392)	(779)
8. Prior Year-End Surplus As Regards Policy-holders	101,621												
											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. 2.6	2. (29.7)	3. (2.8)
													Col. 13, Line 7 Line 8
													4. (0.8)

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.

	<u>Response</u>
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 Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?YES.....

Explanation:

- 1.
- 2.
- 3.

Bar Code:

1.	 2 6 1 3 1 2 0 1 4 4 9 0 0 0 0 0 1
2.	 2 6 1 3 1 2 0 1 4 4 5 5 0 0 0 0 1
3.	 2 6 1 3 1 2 0 1 4 3 6 5 0 0 0 0 1

OVERFLOW PAGE FOR WRITE-INS

PQ004 Additional Aggregate Lines for Page 04 Line 37.

*STMTINCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
3704. Change in Surplus Due to Adoption of SSAP No. 102 less deferred tax of \$32,815.....	0	63,700	63,700
3705. Change in Option Liability.....	0	(23,479)	14,748
3797. Summary of remaining write-ins for Line 37 from Page 04	0	40,221	78,448

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	7,560,162	7,790,881
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	1,743
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other-than-temporary impairment recognized	0	0
8. Deduct current year's depreciation	55,635	232,462
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	7,504,527	7,560,162
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	7,504,527	7,560,162

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

NONE

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	5,683,588	5,655,498
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		767,000
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	(147,471)	18,299
6. Total gain (loss) on disposals	196,923	61,078
7. Deduct amounts received on disposals	1,360,958	818,287
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	4,372,082	5,683,588
12. Deduct total nonadmitted amounts	1,787,346	2,203,106
13. Statement value at end of current period (Line 11 minus Line 12)	2,584,736	3,480,482

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	142,745,130	128,102,387
2. Cost of bonds and stocks acquired	3,200,381	37,658,973
3. Accrual of discount	19,897	77,932
4. Unrealized valuation increase (decrease)	589,847	5,728,261
5. Total gain (loss) on disposals	11,323	1,067,801
6. Deduct consideration for bonds and stocks disposed of	1,546,616	29,409,878
7. Deduct amortization of premium	86,886	273,972
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		206,374
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	144,933,076	142,745,130
11. Deduct total nonadmitted amounts	299,502	300,361
12. Statement value at end of current period (Line 10 minus Line 11)	144,633,574	142,444,769

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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
BONDS								
1. NAIC 1 (a).....	89,122,255	12,855,172	11,696,000	(54,464)	90,226,963	0	0	89,122,255
2. NAIC 2 (a).....	3,516,106			(13,091)	3,503,015	0	0	3,516,106
3. NAIC 3 (a).....	837,032			(2,475)	834,557	0	0	837,032
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	93,475,393	12,855,172	11,696,000	(70,030)	94,564,535	0	0	93,475,393
PREFERRED STOCK								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	807,128			16,152	823,280	0	0	807,128
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	807,128	0	0	16,152	823,280	0	0	807,128
15. Total Bonds & Preferred Stock	94,282,521	12,855,172	11,696,000	(53,878)	95,387,815	0	0	94,282,521

(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 \$ 1,750,207 ; NAIC 2 \$ 403,095 ; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	2,153,302	XXX	2,166,274	44	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	2,397,729	1,238,841
2. Cost of short-term investments acquired	9,933,815	22,998,877
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	10,173,618	21,831,640
7. Deduct amortization of premium.....	4,623	8,349
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	2,153,302	2,397,729
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	2,153,302	2,397,729

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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	3 Location		5 Name of Vendor or General Partner	6 NAIC Designation	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
		City	State									
NONE												
4499999 – Subtotals Unaffiliated								0	0	0	0	XXX
4599999 – Subtotals Affiliated								0	0	0	0	XXX
4699999 Totals								0	0	0	0	XXX

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	3 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	9 Change 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	
		City	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.							
Fixed or Variable Rate - Other - Unaffiliated																				
000000-00-0	Voldico / Encore	Wooster	OH	Principal Payment	10/31/2010	03/31/2014	70,055							70,055	70,055		0		311	
000000-00-0	The Allen Thomas Group	Medina	OH	Principal Payment	03/15/2013	03/31/2014	3,941							3,941	3,941		0		21	
000000-00-0	The Vaughan Insurance Agency	Orrville	OH	Principal Payment	09/04/2013	03/31/2014	60,077							60,077	60,077		0		313	
000000-00-0	Voldico Properties	Wooster	OH	Principal Payment	09/04/2013	03/31/2014	5,686							5,686	5,686		0		30	
000000-00-0	Zucker Insurance Agency	Marion	OH	Principal Payment	12/20/2013	03/31/2014	276,000							276,000	276,000		0		8,098	
1199999 - Fixed or Variable Interest Rate Investments that have the Underlying Characteristics - Other Fixed Income - Unaffiliated								415,759	0	0	0	0	0	415,759	415,759	0	0	0	8,773	
Joint Venture, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Common Stocks - Unaffiliated																				
8EBK69-99-3	The Endowment Fund LP (Domestic OP)			Merrill Lynch	06/01/2008	02/06/2014	945,199	(196,923)					(196,923)	748,275	945,199		196,923	196,923		
1599999 - Joint Venture, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Common Stocks - Unaffiliated								945,199	(196,923)	0	0	0	(196,923)	748,275	945,199	0	196,923	196,923	0	
4499999 – Subtotals Unaffiliated								1,360,958	(196,923)	0	0	0	(196,923)	1,164,034	1,360,958	0	196,923	196,923	0	8,773
4599999 – Subtotals Affiliated								0	0	0	0	0	0	0	0	0	0	0	0	0
4699999 Totals								1,360,958	(196,923)	0	0	0	(196,923)	1,164,034	1,360,958	0	196,923	196,923	0	8,773

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STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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)
Bonds - U.S. Governments									
831641-EZ-4	SBA SBIC 2013-10B CL1		03/05/2014	First Empire Securities I		400,354	381,517	343	1FE
0599999 - Bonds - U.S. Governments						400,354	381,517	343	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
194475-RC-5	College Station TX ISD Sch Bldg		01/22/2014	Raymond James & Associate		480,096	400,000	278	1FE
985743-NY-5	Yellowstone Cnty MT SD #2		01/15/2014	D A Davidson & Co		236,776	200,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						716,872	600,000	278	XXX
Bonds - U.S. Special Revenue									
24588T-BB-1	Delaware Cnty OH San Swr Sys Rev		03/06/2014	Fifth Third Securities, I		223,318	200,000		1FE
63968A-VF-9	Nebraska St Pub Pwr Dist Revenue		02/20/2014	D A Davidson & Co		225,286	200,000	1,500	1FE
88283L-EM-4	Texas Transportation Commission		02/05/2014	Raymond James & Associate		450,416	400,000	7,167	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						899,020	800,000	8,667	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
370334-BM-5	General Mills Inc		03/20/2014	Raymond James & Associate		402,640	400,000	3,500	1FE
452308-AP-4	Illinois Tool Works Inc		01/09/2014	D A Davidson & Co		302,169	300,000	3,347	1FE
774341-AC-5	Rockwell Collins Inc		03/14/2014	D A Davidson & Co		200,302	200,000	2,136	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						905,111	900,000	8,982	XXX
8399997 - Subtotals - Bonds - Part 3						2,921,357	2,681,517	18,270	XXX
8399999 - Subtotals - Bonds						2,921,357	2,681,517	18,270	XXX
Common Stocks - Industrial and Miscellaneous									
17275R-10-2	Cisco Systems		01/24/2014	Merrill Lynch	4,850,000	108,301			L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						108,301	XXX	0	XXX
Common Stocks - Mutual Funds									
277911-49-1	Eaton Vance Floating Rate Fnd CL I		02/18/2014	Merrill Lynch	17,429,190	160,000			U
486606-10-6	Kayne Anderson MLP		01/17/2014	Reinvested Distribution	303,270	10,724			L
9299999 - Common Stocks - Mutual Funds						170,724	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						279,024	XXX	0	XXX
9799999 - Subtotals - Common Stocks						279,024	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						279,024	XXX	0	XXX
9999999 Totals						3,200,381	XXX	18,270	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues1

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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	For e i g n	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)	
Bonds - U.S. Governments																						
36220M-2N-8...	GNMA Pool #282581		03/15/2014	PRINCIPAL RECEIPT		37	37	36	36				.0		37			.0	.1	10/15/2019	1FE	
36295P-6H-0...	GNMA Pool #676872		03/15/2014	PRINCIPAL RECEIPT		14,464	14,464	14,591	14,563		(99)		(99)		14,464			.0	149	03/15/2023	1FE	
831641-ES-0...	SBA SBIC 2010-10A 1 CMO		03/10/2014	PRINCIPAL RECEIPT		52,161	52,161	56,855	56,649		(4,488)		(4,488)		52,161			.0	1,063	03/10/2020	1FE	
831641-EZ-4...	SBA SBIC 2013-10B CL 1		03/10/2014	PRINCIPAL RECEIPT		9,242	9,242	9,539	9,523		(281)		(281)		9,242			.0	145	09/10/2023	1FE	
0599999 - Bonds - U.S. Governments						75,903	75,903	81,021	80,772	0	(4,868)	0	(4,868)	0	75,903	0	0	0	1,357	XXX	XXX	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																						
263713-W0-8...	Dublin OH		02/06/2014	VARIOUS		300,000	300,000	300,000	300,000				.0		300,000			.0	2,465	12/01/2019	1FE	
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						300,000	300,000	300,000	300,000	0	0	0	0	0	300,000	0	0	0	0	2,465	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																						
015714-BE-7...	Algonia IA Municipal Utilities El		02/24/2014	D A Davidson & Co.		304,500	300,000	300,000	300,000				.0		300,000		4,500	4,500	2,508	12/01/2022	1FE	
3128M1-LA-5...	#G12221		03/15/2014	PRINCIPAL RECEIPT		4,799	4,799	4,799	4,799				.0		4,799			.0	.41	06/01/2021	1FE	
31235H-SP-4...	FHLMC (Gold) Pool #E00854		03/15/2014	PRINCIPAL RECEIPT		5,055	5,055	5,072	5,069		(15)		(15)		5,055			.0	.47	09/01/2024	1FE	
31294K-K5-3...	FHLMC (Gold) Pool #E01216		03/15/2014	PRINCIPAL RECEIPT		4,841	4,841	4,878	4,855		(14)		(14)		4,841			.0	.44	10/01/2017	1FE	
3128M1-BB-4...	FHLMC (Gold) Pool #G11934		03/15/2014	PRINCIPAL RECEIPT		3,645	3,645	3,643	3,639		.6		.6		3,645			.0	.32	04/01/2016	1FE	
3128M1-PA-1...	FHLMC (Gold) Pool #G12317		03/15/2014	PRINCIPAL RECEIPT		4,300	4,300	4,300	4,300				.0		4,300			.0	.40	08/01/2021	1FE	
312800-N9-4...	FHLMC (Gold) Pool #J19416		03/15/2014	PRINCIPAL RECEIPT		8,774	8,774	9,015	9,015		(241)		(241)		8,774			.0	.44	06/01/2027	1FE	
3137AP-BD-1...	FHLMC CMO 4033 EB		03/15/2014	PRINCIPAL RECEIPT		10,776	10,776	10,749	10,750		26		26		10,776			.0	.36	10/15/2036	1FE	
31326F-Y9-3...	FHLMC Pool #2B1636		03/17/2014	PRINCIPAL RECEIPT		2,168	2,168	2,119	2,119		49		49		2,168			.0	.4	08/01/2043	1FE	
3128S2-Q0-7...	FHLMC Pool #T61363		03/15/2014	PRINCIPAL RECEIPT		12,765	12,765	13,356	13,356		(590)		(590)		12,765			.0	.58	09/01/2042	1FE	
31371L-JU-4...	FNMA Gtd Mtg Pool #255075		03/25/2014	PRINCIPAL RECEIPT		6,089	6,089	6,087	6,085		.5		.5		6,089			.0	.58	02/01/2024	1FE	
31402R-GM-5...	FNMA Pool #735604		03/25/2014	PRINCIPAL RECEIPT		7,399	7,399	7,422	7,409		(10)		(10)		7,399			.0	.63	06/01/2020	1FE	
3136A1-4P-7...	FNMA CMO FNR 2011-117 CL-MA		03/25/2014	PRINCIPAL RECEIPT		14,727	14,727	14,763	14,764		(37)		(37)		14,727			.0	.50	08/25/2040	1FE	
3136A2-VK-6...	FNMA CMO TR-2011-126		03/25/2014	PRINCIPAL RECEIPT		14,045	14,045	14,045	14,042		.3		.3		14,045			.0	.52	06/25/2040	1FE	
31381P-C9-7...	FNMA DUS Pool #466396		03/25/2014	PRINCIPAL RECEIPT		1,293	1,293	1,295	1,295		(2)		(2)		1,293			.0	.8	11/01/2020	1FE	
31371L-XW-4...	FNMA Gtd Mtg Pool #25549		03/25/2014	PRINCIPAL RECEIPT		5,184	5,184	5,155	5,157		27		27		5,184			.0	.50	10/01/2024	1FE	
31416X-HY-9...	FNMA Gtd Mtg Pool #AB2046		03/25/2014	PRINCIPAL RECEIPT		14,215	14,215	13,975	13,989		226		226		14,215			.0	.72	01/01/2026	1FE	
31418A-LY-2...	FNMA Gtd Mtg Pool #MA1242		03/25/2014	PRINCIPAL RECEIPT		7,979	7,979	8,338	8,348		(368)		(368)		7,979			.0	.38	11/01/2042	1FE	
31418A-V5-4...	FNMA Gtd Mtg Pool #MA1535		03/25/2014	PRINCIPAL RECEIPT		11,723	11,723	11,716	11,735		(11)		(11)		11,723			.0	.39	08/01/2023	1FE	
31418A-WS-3...	FNMA Gtd Mtg Pool #MA1556		03/15/2014	PRINCIPAL RECEIPT		6,397	6,397	6,349	6,363		34		34		6,397			.0	.28	08/01/2028	1FE	
3136A9-AZ-1...	106 CL-MA		03/25/2014	PRINCIPAL RECEIPT		2,784	2,784	2,781	2,781		.3		.3		2,784			.0	.7	06/25/2042	1FE	
31371K-2X-8...	FNMA Pool #254690		03/25/2014	PRINCIPAL RECEIPT		4,108	4,108	4,080	4,083		25		25		4,108			.0	.35	04/01/2023	1FE	
31385W-SB-6...	FNMA Pool #555014		03/25/2014	PRINCIPAL RECEIPT		4,789	4,789	4,834	4,802		(13)		(13)		4,789			.0	.43	11/01/2017	1FE	
3136A1-6Y-6...	FNMA REMIC Ser 2011-M8 CL AB		03/25/2014	PRINCIPAL RECEIPT		2,565	2,565	2,640	2,627		(62)		(62)		2,565			.0	.13	08/25/2021	1FE	
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						464,922	460,422	461,412	461,382	0	(960)	0	(960)	0	460,422	0	4,500	4,500	3,411	XXX	XXX	
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
771196-AS-1...	Roche Holdings Inc 144A		03/01/2014	Partial Call		92,850	78,000	89,968	86,301		(245)		(245)		86,056		6,794	6,794	2,340	03/01/2019	1FE	
871829-AH-0...	Sysco Corp NT 144 A		03/15/2014	MATURITY		600,000	600,000	603,900	600,154		(154)		(154)		600,000			.0	13,800	03/15/2014	1FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						692,850	678,000	693,868	686,455	0	(400)	0	(400)	0	686,056	0	6,794	6,794	16,140	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4						1,533,675	1,514,325	1,536,302	1,528,609	0	(6,228)	0	(6,228)	0	1,522,381	0	11,294	11,294	23,372	XXX	XXX	
8399999 - Subtotals - Bonds						1,533,675	1,514,325	1,536,302	1,528,609	0	(6,228)	0	(6,228)	0	1,522,381	0	11,294	11,294	23,372	XXX	XXX	
Common Stock - Mutual Funds																						
04315J-86-0...	Aberdeen Global High Income Fund I		02/26/2014	VARIOUS		0.460	.197	.197	.197				.0		.197			.0	XXX	XX		
001620-86-6...	Alerian MLP ETF		02/10/2014	ROC		1.138	.XXX	1,138	1,138				.0		1,138			.0	XXX	XX		
03875R-20-5...	Arbitrage Funds CL 1		02/20/2014	CASH IN LIEU - FRAC'L SHR		0.156	.XXX	.2	.2				.0		.2			.0	XXX	XX		
00080Y-72-8...	Aston/Lake Partners Lasso All		02/20/2014	CASH IN LIEU - FRAC'L SHR		0.136	.2	.XXX	.2				.0		.2			.0	XXX	XX		
22544R-30-5...	Credit Suisse Commodity Fnd Inst'l		02/20/2014	CASH IN LIEU - FRAC'L SHR		0.305	.2	.XXX	.2				.0		.2			.0	XXX	XX		
25264S-83-3...	Diamond Hill Long Short Fd Cl 1		02/20/2014	CASH IN LIEU - FRAC'L SHR		0.107	.2	.XXX	.1			(1)	(1)		.1		.1	.1	XXX	XX		
258620-10-3...	Doubleline Total Rtn Bond Fd Cl 1		02/20/2014	CASH IN LIEU - FRAC'L SHR		0.849	.9	.XXX	.9				.0		.9			.0	XXX	XX		
277911-49-1...	Eaton Vance Floating Rate Fnd Cl 1		02/20/2014	CASH IN LIEU - FRAC'L SHR		0.225	.2	.XXX	.2				.0		.2			.0	XXX	XX		

E05

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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	Foreign	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)	
277923-72-8	Eaton Vance Global Macro Fund	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.327	3	XXX	3	3				0		3		0	0		XXX	U	
45070A-40-4	IVA International Fund Cl	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.442	8	XXX	7	8	(1)			(1)	7		1	1	1		XXX	U	
486606-10-6	Kayne Anderson MLP	R	01/21/2014	VARIOUS	0.270	4,299	XXX	4,299	4,299				0	4,299			0	0		XXX	U	
52106N-88-9	Lazard Emerging Mkts Eqty PFL CL	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.114	2	XXX	2	2				0	2			0	0		XXX	U	
543495-78-2	Loomis Sayles Gbl Bond Fnd	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.628	10	XXX	8	10	(2)			(2)	8		2	2	2		XXX	U	
577125-10-7	Matthews Asia Dividend Fund	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.636	10	XXX	9	10	(1)			(1)	9		1	1	1		XXX	U	
577130-20-6	Matthews Asian Growth and Inc Fnd	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.980	18	XXX	16	19	(3)			(3)	16		3	3	3		XXX	U	
67074U-10-3	Nuveen Energy MLP Total Rtn Fnd	R	02/18/2014	ROC	5,774	5,774	XXX	5,774	5,774				0	5,774			0	0		XXX	U	
72201M-73-5	PIMCO High Yield Fd CL P	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.944	9	XXX	6	9	(3)			(3)	6		3	3	3		XXX	U	
72201M-45-3	PIMCO Unconstrained Bond Fund CL P	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.760	9	XXX	8	8				0	8			0	0		XXX	U	
739360-84-3	PowerShares CEF Inc Composite ETF	R	02/19/2014	ROC	222	222	XXX	222	222				0	222			0	0		XXX	U	
746476-40-7	Putnam Cnvtbl Inc Grwth Tr Y	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.689	17	XXX	8	17	(9)			(9)	8		9	9	9		XXX	U	
76882K-70-2	RiverPark ST High Yield Fnd Inst'l	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.040	21	XXX	16	21	(5)			(5)	16		5	5	5		XXX	U	
780905-60-0	Royce Premier Fund	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.951	21	XXX	16	21	(5)			(5)	16		5	5	5		XXX	U	
880208-40-0	Templeton Global Bond Fnd ADV CL	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.754	10	XXX	10	10				0	10			0	0		XXX	U	
880208-85-5	Templeton Global Total Rtn Fund	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.555	7	XXX	7	7				0	7			0	0		XXX	U	
413838-20-2	The Oakmark Interantional Fund I	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.824	22	XXX	22	22				1	22			0	0		XXX	U	
885215-56-6	Thornburg International Fund Cl I	R	02/20/2014	CASH IN LIEU - FRAC'L SHR	0.951	29	XXX	25	30	(6)			(6)	25		5	5	5		XXX	U	
9299999 - Common Stocks - Mutual Funds						11,825	XXX	11,796	11,817	(30)	0	0	(30)	0	11,796	0	29	29	0	XXX	XXX	
Common Stocks - Money Market Mutual Funds																						
998911-JC-3	BBIF Money Fund Class 4	R	01/02/2014	Merrill Lynch	1,116,000	1,116	XXX	1,116	1,116				0	1,116			0	0		XXX	U	
9399999 - Common Stocks - Money Market Mutual Funds						1,116	XXX	1,116	1,116	0	0	0	0	0	1,116	0	0	0	0	0	XXX	XXX
9799997 - Subtotals - Common Stocks - Part 4						12,941	XXX	12,912	12,933	(30)	0	0	(30)	0	12,912	0	29	29	29	0	XXX	XXX
9799999 - Subtotals - Common Stocks						12,941	XXX	12,912	12,933	(30)	0	0	(30)	0	12,912	0	29	29	29	0	XXX	XXX
9899999 - Subtotals - Preferred and Common Stocks						12,941	XXX	12,912	12,933	(30)	0	0	(30)	0	12,912	0	29	29	29	0	XXX	XXX
9999999 Totals						1,546,616	XXX	1,549,215	1,541,542	(30)	(6,228)	0	(6,258)	0	1,535,293	0	11,323	11,323	23,372	0	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues25.

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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
<p>NONE</p>							
8699999 Total Cash Equivalents					0	0	0



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2014 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2014

NAIC Group Code 0207

NAIC Company Code 26131

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

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 0	\$ 0	\$ 0

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

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

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: \$1,155

2.32 Amount estimated using reasonable assumptions: \$0

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 coverage provided in CMP packaged policies. \$0