

ANNUAL STATEMENT

For the Year Ended December 31 , 2014

OF THE CONDITION AND AFFAIRS OF THE

NORTON MUTUAL FIRE ASSOCIATION

ORGANIZED UNDER THE LAWS OF THE STATE OF OHIO

Made to the

INSURANCE COMMISSIONER OF THE STATE OF OHIO

Pursuant to the Laws thereof

RECEIVED
MAY 3 2015
OFFICE OF RISK
ASSESSMENT

NAIC Company Code	<u>10264</u>			
Home Office	<u>529 W TUSCARAWAS AVE</u> Street and Number	<u>BARBERTON</u> City	<u>44203</u> Zip Code	<u>OH</u>
Mail Address	<u>PO BOX 107</u> Street and Number	<u>BARBERTON</u> City	<u>44203</u> Zip Code	<u>OH</u>
Main Administrative Office	<u>(330) 745-5225</u> Telephone Number			
Organized	<u>MARCH 1879</u>	Commenced Business	<u>MARCH 1879</u>	
Annual Statement Contact Person	<u>DIANNE L ANZALDI</u>	Telephone Number	<u>(330) 745-5225</u>	
Contact Person Email Address	<u>danzaldi@nortonmutual.com</u>			

OFFICERS

President	<u>CYNTHIA K KELLER</u>	Vice President	<u>THOMAS HARNDEN</u>
Secretary	<u>DIANNE L ANZALDI</u>	Treasurer	<u>DIANNE L ANZALDI</u>

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

<u>WAYNE AULT</u>	<u>EDWARD GRESSER</u>	<u>THOMAS HARNDEN</u>	<u>JAMES CARPENTER</u>
<u>PATRICK NOVAK</u>			

State of Ohio
County of
SUMMIT

<u>CYNTHIA K KELLER</u>	President and	<u>DIANNE L ANZALDI</u>	Secretary of the
<u>NORTON MUTUAL FIRE ASSOCIATION</u>			

, being duly sworn each for himself/herself deposes and says, that they are the above described officers of said reporting entity, and that on the reporting period stated above all 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, with the schedules and explanations herein contained, annexed or referred to, is a full and correct 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, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me, this 27th
day of February 2015

[Signature]
Notary Public



JAMES A. ZELLIA
Notary Public, State of Ohio
My Comm. Expires 09-24-2017

<u>Cynthia K Keller</u>	President
<u>Dianne L Anzaldi</u>	Secretary
<u>Dianne L Anzaldi</u>	Signature of Person Preparing Statement

ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION

2014

ASSETS

		Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds (Schedule D - Part 1)	111,552.75	0.00	111,552.75	121,545.17
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	138,229.62	0.00	138,229.62	109,296.24
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	0.00	
4	Cash (Schedule E)	520,351.67	0.00	520,351.67	467,216.60
5	Short-term investments		0.00	0.00	
6	Aggregate write-ins for invested assets		0.00	0.00	
7	Subtotals, cash and invested assets	770,134.04	0.00	770,134.04	698,058.01
8	Investment income due and accrued	317.87	0.00	317.87	395.04
9.1	Assessments or premiums in the course of collection (including agents balances)	2,511.00	0.00	2,511.00	3,366.00
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due	78,113.00	0.00	78,113.00	74,231.00
9.3	Earned but unbilled premiums (post assessment)		0.00	0.00	
10.1	Amounts recoverable from reinsurers	31,287.05	0.00	31,287.05	45,648.68
10.2	Funds held by or deposited with reinsured companies		0.00	0.00	
11.1	Current federal income tax recoverable and interest thereon	680.00	0.00	680.00	524.00
11.2	Net deferred tax asset		0.00	0.00	
12	Electronic data processing equipment and software	28.74	0.00	28.74	1,237.92
13	Furniture and equipment	3,247.35	3,247.35	0.00	
14	Receivables from parent, subsidiaries and affiliates		0.00	0.00	
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00	0.00
16	Total Assets	886,319.05	3,247.35	883,071.70	823,460.65
	Details of Write-Ins for Assets:				
1501				0.00	
1502				0.00	
1503				0.00	
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION**

2014

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	32,031.25	25,508.59
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents	18,581.64	13,565.64
4	Other expenses (excluding taxes, licenses and fees)	15,624.90	18,218.70
5	Taxes, licenses and fees (excluding federal income taxes)		
6	Current federal income taxes (including \$0 on realized capital gains (losses))		
7	Net deferred tax liability		
8	Borrowed money and interest thereon		
9	Unearned assessment/premium reserve	246,108.00	232,107.00
10	Advance premium		
11	Ceded reinsurance premiums payable	8,071.06	7,182.46
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others		
14	Provision for unauthorized reinsurance		
15	Payable to parent, subsidiaries and affiliates		
16	Aggregate write-ins for liabilities	0.00	0.00
17	Total liabilities	320,416.85	296,582.39
18	Surplus as regards policyholders	562,654.85	526,878.26
19	Total liabilities and surplus	883,071.70	823,460.65
	Details of Write-Ins for Liabilities:		
1601			
1602			
1603			
1698	Summary or remaining write-ins from overflow page	0.00	0.00
1699	Total aggregate write-ins	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION**

2014

STATEMENT OF INCOME

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	512,346.00	507,364.00
1.2	Less: Return Assessments/Premiums earned		
1.3	Direct Assessments/Premiums earned	512,346.00	507,364.00
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	267,733.15	236,787.26
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	
1.6	Net Assessments/Premiums earned	244,612.85	270,576.74
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	28,324.87	2,489.89
3	Loss expenses incurred (Expense Exhibit)	9,228.30	15,726.27
4	Other underwriting expenses incurred (Expense Exhibit)	198,803.63	194,882.24
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	236,356.80	213,098.40
7	Net underwriting gain (loss)	8,256.05	57,478.34
	INVESTMENT INCOME		
8	Net investment income earned	9,917.80	12,626.37
9	Net realized capital gains (losses) less capital gains tax		1,919.69
10	Net investment gain (loss)	9,917.80	14,546.06
	OTHER INCOME		
11	Net gain (loss) from agents' or premium balances charged off		
12	Finance and service charges not included in premiums		
13	Aggregate write-ins for miscellaneous income	9,842.43	10,773.15
14	Total other income	9,842.43	10,773.15
15	Net income, after capital gains tax and before federal income taxes	28,016.28	82,797.55
16	Federal income taxes incurred	1,381.33	2,400.00
17	Net income	26,634.95	80,397.55
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	526,878.35	453,723.71
19	Net income	26,634.95	80,397.55
20	Change in net unrealized capital gains or (losses) less capital gains tax	8,761.14	-10,300.86
21	Change in net deferred income tax		
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	380.41	3,057.95
23	Change in provision for reinsurance		
24	Aggregate write-ins for gains and losses in surplus	0.00	0.00
25	Change in surplus as regards policyholders for the year	35,776.50	73,154.64
26	Surplus as regards policyholders, December 31 current year	562,654.85	526,878.35
	DETAILS OF WRITE-INS		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301	RENT INCOME	2,652.00	2,652.00
1302	OTHER INCOME	7,190.43	8,121.15
1303			
1304			
1399	Total Aggregate write-ins for miscellaneous income	9,842.43	10,773.15
2401			
2402			
2499	Total Aggregate write-ins for gains and losses in surplus	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION**

2014

CASH FLOW STATEMENT

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	263,657.91	244,278.06
2	Net investment income	9,994.97	12,867.96
3	Miscellaneous income	9,842.43	10,773.15
4	Total	283,495.31	267,919.17
5	Benefit and loss related payments	14,623.04	-6,318.66
6	Commissions, expenses paid and aggregate write-ins for deductions	205,609.73	203,405.13
7	Federal and foreign income taxes paid (recovered)	1,537.33	3,691.00
8	Total	221,770.10	200,777.47
9	Net cash from operations	61,725.21	67,141.70
Cash from Investments			
10	Proceeds from investments sold, matured or repaid:		
10.1	Bonds	20,000.00	47,471.85
10.2	Stocks		97,517.34
10.3	Real estate		
10.4	Net gains (losses) on cash, cash equivalents and short- term investments		
10.5	Miscellaneous proceeds		
10.6	Total investment proceeds	20,000.00	144,989.19
11	Cost of investments acquired (long-term only):		
11.1	Bonds	10,007.59	101,545.17
11.2	Stocks	20,172.24	52,696.80
11.3	Real estate		
11.4	Miscellaneous applications		
11.5	Total investments acquired	30,179.83	154,241.97
11.6	Net cash from investments	-10,179.83	-9,252.78
Cash from Financing and Miscellaneous Sources			
12.1	Borrowed funds (cash provided/applied)		
12.2	Other cash provided (applied)	1,589.69	4,276.65
13	Net cash from financing and miscellaneous sources	1,589.69	4,276.65
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	53,135.07	62,165.57
15.1	Beginning of year (cash, cash equivalents and short-term investments)	467,216.60	405,051.03
15.2	End of year (cash, cash equivalents and short-term investments)	520,351.67	467,216.60

**ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION**

2014

EXPENSE EXHIBIT

		Current Year
	Claim Adjusting:	
1.1	Direct	
1.2	Reinsurance assumed	0.00
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
1.4	Net claim adjusting	0.00
	Commission and Brokerage:	
2.1	Direct commission and brokerage	65,788.44
2.2	Reinsurance assumed excluding contingent	0.00
2.3	Reinsurance ceded excluding contingent (commission and brokerage)	2,881.80
2.4	Contingent - direct (commission and brokerage)	0.00
2.5	Contingent - reinsurance assumed (commission and brokerage)	0.00
2.6	Contingent - reinsurance ceded (commission and brokerage)	21,069.73
2.7	Policy and membership fees (commission and brokerage)	0.00
2.8	Net commission and brokerage	41,836.91
3	Allowances to managers and agents	0.00
4	Advertising	2,289.72
5	Boards, bureaus and associations	5,212.94
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
	Salary and related items:	
8.1	Salaries	0.00
8.2	Payroll taxes	0.00
9	Employee relations and welfare	0.00
10	Insurance	5,999.85
11	Directors' fees	6,600.00
12	Travel and travel items	359.75
13	Rent and rent items	5,410.00
14	Equipment	4,665.55
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	6,438.15
17	Postage, telephone, exchange and express	4,315.18
18	Legal and auditing	12,453.70
19	Loss adjustment expenses	9,228.30
18	Investment expenses	0.00
19	Totals	62,973.14
	Taxes, licenses and fees:	
20.1	State and local insurance taxes	250.00
20.2	Insurance department licenses and fees	2,289.50
20.3	All other (excluding federal income and real estate)	0.00
20.4	Total taxes, licenses and fees	2,539.50
21	Real estate expenses	916.34
22	Real estate taxes	0.00
23	Aggregate write-ins for miscellaneous expenses	99,766.04
24	Total expenses incurred (a)	208,031.93
25	Less unpaid expenses - current year	34,206.54
26	Add unpaid expenses - prior year	31,784.34
27	Total expenses paid	205,609.73
	Details of Write-Ins:	
2301	CLERICAL	96,000.00
2302	UTILITIES	3,766.04
2303		
2304		
2305		
2399	Total Write-ins	99,766.04

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

ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION

2014

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	63,712,752	736
2	Written during the year	17,238,622	169
3	Total	80,951,374	905
4	Deduct those expired and cancelled	14,694,832	188
5	In force December 31 of current year	66,256,542	717
6	Deduct amount reinsured	0	XXX
7	Net amount in force	66,256,542	XXX

UNDERWRITING EXHIBIT - PART 2
LOSSES INCURRED

1	2	3	4	5	6
Lines of Business	Direct Losses Incurred	Losses Incurred on Reinsurance Assumed	Deduct: Reinsurance Recovered on Incurred Losses	Deduct: Salvage and Subrogation Converted To Cash	* Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
PROPERTY	98,396.97		70,072.10		28,324.87
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 98,396.97	\$ -	\$ 70,072.10	\$ -	\$ 28,324.87

* Total should equal Line 2, Page 4, Current Year.

UNDERWRITING EXHIBIT - PART 2A
UNPAID LOSSES and LOSS ADJUSTMENT EXPENSES

1	2	3	4	5	6
Lines of Business	Direct Unpaid Losses	Unpaid Losses on Reinsurance Assumed	Deduct: Reinsurance Recoverable on Unpaid Losses	** Unpaid Loss Adjustment Expenses	*** Net Unpaid Losses Columns 2 and 3 minus Column 4
INCURRED BUT NOT REPORTED	25,000.00				25,000.00
PROPERTY	15,000.00		7,968.75		7,031.25
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 40,000.00	\$ -	\$ 7,968.75	\$ -	\$ 32,031.25

** Total should equal Line 2, Page 3, Current Year.

*** Total should equal Line 1, Page 3, Current Year.

EXHIBIT OF NONADMITTED ASSETS

		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1	Bonds			0.00
2	Preferred and common stocks and mutual funds			0.00
3	Real estate (less liens, encumbrances)			0.00
4	Cash			0.00
5	Short-term investments			0.00
6	Aggregate write-ins for invested assets			0.00
7	Subtotals, cash and invested assets	0.00	0.00	0.00
8	Investment income due and accrued			0.00
9.1	Assessments or premiums in the course of collection (including agents balances)			0.00
9.2	Premium receivable for advance pay			0.00
9.3	Earned but unbilled premiums (post assessment)			0.00
10.1	Amounts recoverable from reinsurers			0.00
10.2	Funds held by or deposited with reinsured companies			0.00
11.1	Current federal income tax recoverable and interest thereon			0.00
11.2	Net deferred tax asset			0.00
12	Electronic data processing equipment and software			0.00
13	Furniture and equipment	3,247.35	3,627.76	380.41
14	Receivables from parent, subsidiaries and affiliates			0.00
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00
16	Total Assets	3,247.35	3,627.76	380.41
	Details of Write-Ins for Assets:			
1501		0.00	0.00	0.00
1502		0.00	0.00	0.00
1503		0.00	0.00	0.00
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00

2014 ANNUAL STATEMENT OF NORTON MUTUAL FIRE ASSOCIATION

SCHEDULE A

Showing All Real Estate **OWNED** December 31 of Current Year

1	2	3	4	5	6	7	8	9	10
Description of Property	Date Acquired	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	Book Value End of Current Year (Col. 4+5-6-7) *	Gross Income Current Year (Real Estate)	Gross Expenses Current Year (Real Estate)
RENTAL SPACE IN OFFICE	5/16/2005	NORTON MUTUAL AGY					-	2,652.00	916.00
							-		
							-		
							-		
							-		
OVERFLOW AMOUNTS							-		
Totals	XXX	XXX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,652.00	\$ 916.00

*Total to agree with Page 2, Line 3, Current Year.

FURNITURE, FIXTURES and AUTOMOBILES

Showing All Furniture, Fixtures and Automobiles **OWNED** December 31 of Current Year

1	2	3	4	5	6	7	8
Description	Date Acquired	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	Book Value End of Current Year (Col. 4+5-6-7)
FURNITURE & FIXTURES	VARIOUS		12,826.92		12,826.92		-
CANVAS MURAL	2/8/2002		2,000.00				2,000.00
RCC SOFTWARE	1/19/2007		20,446.00		20,034.72		411.28
IBM TYPEWRITER	10/4/1994		997.98		778.41		219.57
DESKS	6/17/2009		1,370.00		753.50		616.50
							-
							-
PRINTERS AND COMPUTERS	VARIOUS		6,957.72		\$6,957.72		-
DELL COMPUTER	3/7/2005		1,134.78		1106.04		28.74
2 DELL COMPUTERS	5/6/2004		1,541.42		1,541.42		-
SERVER	1/19/2007		8,534.00		8,534.00		-
							-
							-
OVERFLOW AMOUNTS							-
Totals	XXX	XXX	\$ 55,808.82	\$ -	\$ 52,532.73	\$ -	\$ 3,276.09

Showing all **BONDS** Owned on December 31 of Current Year

* Annual Statement Value

Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

12

Showing all Bonds and Preferred & Common Stocks **ACQUIRED** During the Current Year[illegible]

13

REINSURANCE SCHEDULE

Reinsurance Ceded and Reinsurance Assumed

1	2	3	4	5	6	7	8
Reinsurer or Reinsured	Ceded or Assumed	Location of Company	Total Amount Reinsured	Total Premiums Ceded *	Total Premiums Assumed **	Largest Risk Ceded or Assumed	Remarks
GUY CARPENTER & CO	CEDED	PA		154,477.00			
GUY CARPENTER & CO	CEDED	PA		103,650.15			
GUY CARPENTER & CO	CEDED	PA		9,606.00			
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 267,733.15	\$ -	XXX	XXX

*Total to agree with Page 4, Line 1.4, Current Year.
**Total to agree with Page 4, Line 1.5, Current Year.

COMPENSATION SCHEDULE

Show all salaries, commissions, claim adjustment expenses, directors fees and expenses, and travel items paid in the current year for the top 5 officers/employees and all directors, travel or car allowances, if paid, are to be included.

1	2	3	4	5	6	7	8	9
Name of Payee	Title	Salaries	Commissions	Claim Adjustment Expenses	Directors Fees & Expenses	Travel & Travel Items	All Other	Total
Officers/Employees:								
CYNTHIA K KELLER	PRESIDENT				1,200.00			\$ 1,200.00
THOMAS HARNDEN	VICE PRESIDENT				900.00			\$ 900.00
DIANNE ANZALDI	SEC/TREAS				1,200.00			\$ 1,200.00
JULIE JUSTICE	ASST SEC		6,082.34					\$ 6,082.34
								\$ -
								\$ -
Directors:								
WAYNE AULT					900.00			\$ 900.00
EDWARD GRESSER					700.00			\$ 700.00
PATRICK NOVAK					700.00			\$ 700.00
JAMES CARPENTER					1,000.00			\$ 1,000.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ -	\$ 6,082.34	\$ -	\$ 6,600.00	\$ -	\$ -	\$ 12,682.34

GENERAL INTERROGATORIES

(Answer all questions and attach additional sheets if necessary.)

1. Company's retention:

Fire\$10,000Wind\$10,000Other\$10,000

1a. Retention before reinsurance applies for:

Catastrophe Reinsurance\$10,000Aggregate excess of loss

2. What is the largest risk assumed and retained:

\$45,000

3. What kind of perils are being covered?

FIRE, LIGHTNING, WIND, EXTENDED COVERAGE, THEFT, VANDALISM, EARTHQUAKE

LOSS OF RENTS

4. Have the by-laws been amended during the current year?

NO

If so, were such amendments filed with the Ohio Department of Insurance?

N/A

5. In what counties does the Company operate:

STATE OF OHIO

6. Name of Principal Officer and amount of bond.

CYNTHIA K KELLER \$25,000

7. Are all of the persons who handle funds of the Company bonded?

YesXNo

State the name and amount of each bond on each, except person named in Item 6 above.

DIANNE ANZALDI \$25,000
JULIE JUSTICE \$25,000

8. Does the Company have an annual audit conducted by an independent CPA?

YES

9. State the number of members holding policies in the Company.

717

10. Was an annual report of the Company made available to each policyholder?

YES

If so, did such report agree with the annual statement filed with the Ohio Department of Insurance?

Yes

11. State as of what date the latest examination of the Company was made by the Ohio Department of Insurance.

12/31/2012

12. How many assessments were made during the year?

NONE

Date of last assessment

N/A

13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?

N/A

14. Rate of policy fee

\$30.00

15. State the amount of borrowed money since date of last assessment

NONE

interest thereon

NONE

16. Does any person, firm, corporation or association have any claim, contingent or otherwise, against this Company which is NOT included in the liabilities on page 2 of this statement?

YesNoX

If yes, give the amount, terms for payment and reasons why such were not recorded as a liability on page 2 of this statement.

2014

Showing All Balances (according to Company's Records) Carried in Each Bank or Savings and Loan

[illegible]

16

ORGANIZATIONAL CHART

LIST ALL ENTITIES THAT ARE MEMBERS OF AN INSURANCE COMPANY HOLDING SYSTEM AS
DEFINED IN ORC 3901.32