



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

**ANNUAL STATEMENT**  
**For the Year Ended December 31, 2014**  
**OF THE CONDITION AND AFFAIRS OF THE**

**Permanent General Assurance Corporation of Ohio**

|                                       |                               |   |                                    |   |                              |
|---------------------------------------|-------------------------------|---|------------------------------------|---|------------------------------|
| NAIC Group Code                       | 00473                         | NAIC Company Code                           | 22906                              | Employer's ID Number                        | 62-1482846                   |
| (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                | 12/18/1991                    |   | Commenced Business                 |   | 04/09/1992                   |
| Statutory Home Office                 | 9700 Rockside Road, Suite 250 |   |                                    |   | Valley View, OH, US 44125    |
| (Street and Number)                   |                               |   |                                    | (City or Town, State, Country and Zip Code) |                              |
| Main Administrative Office            | 2636 Elm Hill Pike, Suite 510 |   | Nashville, TN, US 37214            |   | 615-242-1961                 |
| (Street and Number)                   |                               | (City or Town, State, Country and Zip Code) |                                    | (Area Code) (Telephone Number)              |                              |
| Mail Address                          | P.O. Box 305054               |   |                                    |   | Nashville, TN, US 37230-5054 |
| (Street and Number or P.O. Box)       |                               |   |                                    | (City or Town, State, Country and Zip Code) |                              |
| Primary Location of Books and Records | 2636 Elm Hill Pike, Suite 510 |   | Nashville, TN, US 37214            |   | 615-744-1221                 |
| (Street and Number)                   |                               | (City or Town, State, Country and Zip Code) |                                    | (Area Code) (Telephone Number)              |                              |
| Internet Web Site Address             | www.pgac.com                  |   |                                    |   |                              |
| Statutory Statement Contact           | R Burton Barnes Jr            |   |                                    |   | 615-744-1221                 |
| (Name)                                |                               |   |                                    | (Area Code) (Telephone Number) (Extension)  |                              |
| bbarnes@pgac.com                      |                               |   | 615-744-1608                       |   | (Fax Number)                 |
|                                       |                               |   |                                    |   |                              |

**OFFICERS**

| Name                | Title                                  | Name                  | Title                                |
|---------------------|--|-----------------------|--------------------------------------|
| David Lee Hettinger | Sr. V.P., Chief Administrative Officer | Brian Michael Donovan | CFO, Treasurer & Assistant Secretary |
| Randy Philip Parker | Chairman, President & CEO              |                       |                                      |

**OTHER OFFICERS**

|                          |   |                      |                                     |
|--------------------------|---|----------------------|-------------------------------------|
| Andrew Peter Martin      | Sr. V.P., Corporate-wide Sales & Distribution | Robert Eugene Nelson | Assistant Secretary                 |
| Sherrill Cleek Kaiser    | Secretary                                     | Eileen Manners       | Assistant V.P., Claims              |
| Allison Walker Garretson | Sr. V.P., Operations                          | Barry Scot Dice      | V.P., Direct Sales & Marketing      |
| Kenton Lee Fourman       | V.P., Chief Information Officer               | Thomas J Vyneman     | Assistant V.P., Product Development |
| Eric William Bur         | V.P., IA Sales & Distribution                 | John Allen Hollar    | Executive V.P.                      |
| Elizabeth Ann Roberts    | V.P., Human Resources                         | Todd Raymond Hakala  | V.P., Actuary Services              |
| William Joseph Yeager    | Sr. V.P., Claims                              |                      |                                     |

**DIRECTORS OR TRUSTEES**

|                       |                     |                     |                       |
|-----------------------|---------------------|---------------------|-----------------------|
| Randy Philip Parker   | David Lee Hettinger | Andrew Peter Martin | Brian Michael Donovan |
| Elizabeth Ann Roberts |                     |                     |                       |

State of .....Tennessee.....

ss

County of .....Davidson.....

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.

|  |  |  |
|--|--|--|
| David Lee Hettinger<br>Sr. V.P., Chief Administrative Officer        | Brian Michael Donovan<br>CFO, Treasurer & Assistant Secretary  | Randy Philip Parker<br>Chairman, President & CEO |
| Subscribed and sworn to before me<br>this 17th day of February, 2015 | a. Is this an original filing?<br>b. If no:<br>1. State the amendment number<br>2. Date filed<br>3. Number of pages attached | Yes [ X ] No [ ]                                 |

Susan Hawk, Notary Public  
May 5, 2015

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**ASSETS**

|  | Current Year |                         |   | Prior Year                  |
|--|--------------|-------------------------|---|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D).....   | 90,553,162   |                         | 90,553,162                                | 88,585,230                  |
| 2. Stocks (Schedule D):  |              |                         |   |                             |
| 2.1 Preferred stocks .....   | 0            |                         | 0   | 0                           |
| 2.2 Common stocks .....  | 25,540,668   |                         | 25,540,668                                | 19,037,014                  |
| 3. Mortgage loans on real estate (Schedule B):   |              |                         |   |                             |
| 3.1 First liens .....  |              |                         | 0   | 0                           |
| 3.2 Other than first liens .....   |              |                         | 0   | 0                           |
| 4. Real estate (Schedule A):   |              |                         |   |                             |
| 4.1 Properties occupied by the company (less<br>\$ ..... encumbrances).....  |              |                         | 0   | 0                           |
| 4.2 Properties held for the production of income<br>(less \$ ..... encumbrances).....  |              |                         | 0   | 0                           |
| 4.3 Properties held for sale (less<br>\$ ..... encumbrances).....  |              |                         | 0   | 0                           |
| 5. Cash (\$ ..... 9,963 , Schedule E-Part 1), cash equivalents<br>(\$ ..... 0 , Schedule E-Part 2) and short-term<br>investments (\$ ..... 1,576,450 , Schedule DA)..... | 1,586,413    |                         | 1,586,413                                 | 7,693,995                   |
| 6. Contract loans (including \$ ..... premium notes).....  |              |                         | 0   | 0                           |
| 7. Derivatives (Schedule DB).....  |              |                         | 0   | 0                           |
| 8. Other invested assets (Schedule BA).....  | 0            |                         | 0   | 0                           |
| 9. Receivables for securities .....  |              |                         | 0   | 0                           |
| 10. Securities lending reinvested collateral assets (Schedule DL).....   |              |                         | 0   | 0                           |
| 11. Aggregate write-ins for invested assets .....  | 13,356       | .0                      | 13,356                                    | .23,318                     |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  | 117,693,599  | .0                      | 117,693,599                               | .115,339,557                |
| 13. Title plants less \$ ..... charged off (for Title insurers<br>only).....   |              |                         | 0   | 0                           |
| 14. Investment income due and accrued .....  | 1,019,991    |                         | 1,019,991                                 | .1,056,974                  |
| 15. Premiums and considerations:   |              |                         |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of<br>collection .....  | 2,945,110    | .49,477                 | 2,895,633                                 | .2,561,453                  |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due (including \$ ..... earned<br>but unbilled premiums).....               | 18,335,382   |                         | 18,335,382                                | .21,224,666                 |
| 15.3 Accrued retrospective premiums.....   |              |                         | 0   | 0                           |
| 16. Reinsurance:   |              |                         |   |                             |
| 16.1 Amounts recoverable from reinsurers .....   | 1,355,374    |                         | 1,355,374                                 | .149,052                    |
| 16.2 Funds held by or deposited with reinsured companies .....   |              |                         | 0   | 0                           |
| 16.3 Other amounts receivable under reinsurance contracts .....  |              |                         | 0   | 0                           |
| 17. Amounts receivable relating to uninsured plans .....   |              |                         | 0   | 0                           |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....   | 884,742      |                         | 884,742                                   | .164,952                    |
| 18.2 Net deferred tax asset.....   | 3,621,247    | .227,092                | 3,394,155                                 | .3,390,534                  |
| 19. Guaranty funds receivable or on deposit .....  |              |                         | 0   | 0                           |
| 20. Electronic data processing equipment and software.....   |              |                         | 0   | 0                           |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....  |              |                         | 0   | 0                           |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   |              |                         | 0   | 0                           |
| 23. Receivables from parent, subsidiaries and affiliates .....   |              |                         | 0   | 0                           |
| 24. Health care (\$ ..... ) and other amounts receivable.....  |              |                         | 0   | 0                           |
| 25. Aggregate write-ins for other-than-invested assets .....   | .145         | .0                      | .145                                      | .0                          |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25).....   | 145,855,590  | .276,569                | 145,579,021                               | .143,887,188                |
| 27. From Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts.....  |              |                         | 0   | 0                           |
| 28. Total (Lines 26 and 27) .....  | 145,855,590  | .276,569                | 145,579,021                               | .143,887,188                |
| <b>DETAILS OF WRITE-INS</b>  |              |                         |   |                             |
| 1101. Income due on security.....  | 13,356       |                         | 13,356                                    | .23,318                     |
| 1102. .....  |              |                         |   |                             |
| 1103. .....  |              |                         |   |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  | 0            | .0                      | 0   | 0                           |
| 1199. <b>Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)</b>  | 13,356       | 0                       | 13,356                                    | .23,318                     |
| 2501. Other Miscellaneous.....   | .145         |                         | .145                                      |                             |
| 2502. .....  |              |                         |   |                             |
| 2503. .....  |              |                         |   |                             |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....  | 0            | .0                      | 0   | 0                           |
| 2599. <b>Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)</b>  | 145          | 0                       | 145                                       | 0                           |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8)  | 23,334,374        | 29,663,430      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)   | 3,469,873         |                 |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9)  | 3,780,042         | 4,626,011       |
| 4. Commissions payable, contingent commissions and other similar charges  | 82,555            | 146,620         |
| 5. Other expenses (excluding taxes, licenses and fees)  | 0                 |                 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes)  | 505,803           | 634,126         |
| 7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))  | 0                 |                 |
| 7.2 Net deferred tax liability  | 0                 |                 |
| 8. Borrowed money \$ and interest thereon \$  | 0                 |                 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 23,588,548 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act) | 37,729,435        | 37,234,681      |
| 10. Advance premium   | 65,079            | 84,064          |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders   | 0                 |                 |
| 11.2 Policyholders  | 0                 |                 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions)  | 15,253,851        | 0               |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)  | 0                 |                 |
| 14. Amounts withheld or retained by company for account of others   | 0                 |                 |
| 15. Remittances and items not allocated   | 0                 |                 |
| 16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)   | 0                 | 0               |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates   | 0                 |                 |
| 18. Drafts outstanding  | 0                 |                 |
| 19. Payable to parent, subsidiaries and affiliates  | 443,728           | 4,835,041       |
| 20. Derivatives   | 0                 |                 |
| 21. Payable for securities  | 0                 |                 |
| 22. Payable for securities lending  | 0                 |                 |
| 23. Liability for amounts held under uninsured plans  | 0                 |                 |
| 24. Capital notes \$ and interest thereon \$  | 0                 |                 |
| 25. Aggregate write-ins for liabilities   | 0                 |                 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)   | 81,194,867        | 80,693,846      |
| 27. Protected cell liabilities  | 0                 |                 |
| 28. Total liabilities (Lines 26 and 27)   | 81,194,867        | 80,693,846      |
| 29. Aggregate write-ins for special surplus funds   | 0                 |                 |
| 30. Common capital stock  | 2,000,000         | 2,000,000       |
| 31. Preferred capital stock   | 0                 |                 |
| 32. Aggregate write-ins for other than special surplus funds  | 0                 |                 |
| 33. Surplus notes   | 0                 |                 |
| 34. Gross paid in and contributed surplus   | 35,418,117        | 35,418,117      |
| 35. Unassigned funds (surplus)  | 26,966,037        | 25,775,225      |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 shares common (value included in Line 30 \$ )  | 0                 |                 |
| 36.2 shares preferred (value included in Line 31 \$ )   | 0                 |                 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)  | 64,384,154        | 63,193,342      |
| 38. Totals (Page 2, Line 28, Col. 3)  | 145,579,021       | 143,887,188     |
| <b>DETAILS OF WRITE-INS</b>   |                   |                 |
| 2501.   |                   |                 |
| 2502.   |                   |                 |
| 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)  | 0                 | 0               |
| 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.   |                   |                 |
| 3202.   |                   |                 |
| 3203.   |                   |                 |
| 3298. Summary of remaining write-ins for Line 32 from overflow page   | 0                 | 0               |
| 3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)  | 0                 | 0               |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**STATEMENT OF INCOME**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>  |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4) .....  | 79,799,000        | 100,994,564     |
| DEDUCTIONS:   |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7) .....  | 46,498,088        | 63,303,991      |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....  | 7,196,188         | 8,112,687       |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....   | 32,435,112        | 36,445,644      |
| 5. Aggregate write-ins for underwriting deductions .....  | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5) .....  | 86,129,388        | 107,862,322     |
| 7. Net income of protected cells .....  | 0                 | 0               |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....   | (6,330,388)       | (6,867,758)     |
| <b>INVESTMENT INCOME</b>  |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....   | 2,410,292         | 2,464,016       |
| 10. Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses)) .....  | 163,828           | 66,031          |
| 11. Net investment gain (loss) (Lines 9 + 10) .....   | 2,574,120         | 2,530,047       |
| <b>OTHER INCOME</b>   |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ charged off \$ ) .....  | 0                 | 0               |
| 13. Finance and service charges not included in premiums .....  | 5,900,028         | 7,507,780       |
| 14. Aggregate write-ins for miscellaneous income .....  | 9,426             | 6,722           |
| 15. Total other income (Lines 12 through 14) .....  | 5,909,454         | 7,514,502       |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....     | 2,153,186         | 3,176,791       |
| 17. Dividends to policyholders .....  | 0                 | 0               |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) ..... | 2,153,186         | 3,176,791       |
| 19. Federal and foreign income taxes incurred .....   | 531,079           | 956,990         |
| 20. Net income (Line 18 minus Line 19) (to Line 22) .....   | 1,622,107         | 2,219,801       |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>  |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....  | 63,193,342        | 53,121,550      |
| 22. Net income (from Line 20) .....   | 1,622,107         | 2,219,801       |
| 23. Net transfers (to) from Protected Cell accounts .....   |                   | 0               |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....   | 503,654           | 636,520         |
| 25. Change in net unrealized foreign exchange capital gain (loss) .....   |                   | 0               |
| 26. Change in net deferred income tax .....   | 93,563            | 211,182         |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....   | (28,515)          | (210,614)       |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....  | 0                 | 0               |
| 29. Change in surplus notes .....   |                   | 0               |
| 30. Surplus (contributed to) withdrawn from protected cells .....   |                   | 0               |
| 31. Cumulative effect of changes in accounting principles .....   |                   | 0               |
| 32. Capital changes:  |                   |                 |
| 32.1 Paid in .....  |                   | 0               |
| 32.2 Transferred from surplus (Stock Dividend) .....  |                   | 0               |
| 32.3 Transferred to surplus .....   |                   | 0               |
| 33. Surplus adjustments:  |                   |                 |
| 33.1 Paid in .....  |                   | 8,218,117       |
| 33.2 Transferred to capital (Stock Dividend) .....  |                   | 0               |
| 33.3 Transferred from capital .....   |                   | 0               |
| 34. Net remittances from or (to) Home Office .....  |                   | 0               |
| 35. Dividends to stockholders .....   | (1,000,000)       | (1,000,000)     |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....   | 0                 | 0               |
| 37. Aggregate write-ins for gains and losses in surplus .....   | 3                 | (3,214)         |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....   | 1,190,812         | 10,071,792      |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....   | 64,384,154        | 63,193,342      |
| <b>DETAILS OF WRITE-INS</b>   |                   |                 |
| 0501. .....   |                   | 0               |
| 0502. .....   |                   | 0               |
| 0503. .....   |                   | 0               |
| 0598. Summary of remaining write-ins for Line 5 from overflow page .....  | 0                 | 0               |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....   | 0                 | 0               |
| 1401. MISC INCOME .....   |                   | 0               |
| 1402. FINANCE ROYALTY INCOME .....  |                   | 0               |
| 1403. OTHER INTEREST (EXPENSE) .....  |                   | (3,411)         |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....   | 9,426             | 10,133          |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....  | 9,426             | 6,722           |
| 3701. OTHER INCREASES / (DECREASES) .....   | 3                 | (3,214)         |
| 3702. .....   |                   |                 |
| 3703. .....   |                   |                 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page .....   | 0                 | 0               |
| 3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....  | 3                 | (3,214)         |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**CASH FLOW**

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>Cash from Operations</b>  |                   |                 |
| 1. Premiums collected net of reinsurance.....  | 98,145,151        | 106,320,167     |
| 2. Net investment income.....  | 3,766,637         | 3,092,935       |
| 3. Miscellaneous income.....   | 5,909,454         | 7,514,502       |
| 4. Total (Lines 1 through 3).....  | 107,821,242       | 116,927,604     |
| 5. Benefit and loss related payments.....  | 57,503,339        | 58,369,990      |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    | 0                 | 0               |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      | 40,669,657        | 45,324,235      |
| 8. Dividends paid to policyholders.....  | 0                 | 0               |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....              | 1,250,869         | 1,254,905       |
| 10. Total (Lines 5 through 9).....   | 99,423,865        | 104,949,130     |
| 11. Net cash from operations (Line 4 minus Line 10).....   | 8,397,377         | 11,978,474      |
| <b>Cash from Investments</b>   |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:   |                   |                 |
| 12.1 Bonds.....  | 15,187,486        | 14,577,409      |
| 12.2 Stocks.....   | 0                 | 0               |
| 12.3 Mortgage loans.....   | 0                 | 0               |
| 12.4 Real estate.....  | 0                 | 0               |
| 12.5 Other invested assets.....  | 0                 | 0               |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                           | 0                 | 0               |
| 12.7 Miscellaneous proceeds.....   | 9,962             | 0               |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....   | 15,197,448        | 14,577,409      |
| 13. Cost of investments acquired (long-term only):   |                   |                 |
| 13.1 Bonds.....  | 18,310,952        | 29,944,251      |
| 13.2 Stocks.....   | 6,000,000         | 8,000,000       |
| 13.3 Mortgage loans.....   | 0                 | 0               |
| 13.4 Real estate.....  | 0                 | 0               |
| 13.5 Other invested assets.....  | 0                 | 0               |
| 13.6 Miscellaneous applications.....   | 0                 | 4,376,397       |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....  | 24,310,952        | 42,320,648      |
| 14. Net increase (decrease) in contract loans and premium notes.....   | 0                 | 0               |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....                                   | (9,113,504)       | (27,743,239)    |
| <b>Cash from Financing and Miscellaneous Sources</b>   |                   |                 |
| 16. Cash provided (applied):   |                   |                 |
| 16.1 Surplus notes, capital notes.....   | 0                 | 0               |
| 16.2 Capital and paid in surplus, less treasury stock.....   | 0                 | 8,218,117       |
| 16.3 Borrowed funds.....   | 0                 | 0               |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               | 0                 | 0               |
| 16.5 Dividends to stockholders.....  | 1,000,000         | 1,000,000       |
| 16.6 Other cash provided (applied).....  | (4,391,455)       | 9,490,680       |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (5,391,455)       | 16,708,797      |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>                                     |                   |                 |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....       | (6,107,582)       | 944,032         |
| 19. Cash, cash equivalents and short-term investments:   |                   |                 |
| 19.1 Beginning of year.....  | 7,693,995         | 6,749,963       |
| 19.2 End of year (Line 18 plus Line 19.1).....   | 1,586,413         | 7,693,995       |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

| Line of Business   | 1<br>Net Premiums<br>Written per<br>Column 6, Part 1B | 2<br>Unearned Premiums<br>Dec. 31 Prior Year -<br>per Col. 3, Last Year's<br>Part 1 | 3<br>Unearned Premiums<br>Dec. 31 Current<br>Year - per Col. 5<br>Part 1A | 4<br>Premiums Earned<br>During Year<br>(Cols. 1 + 2 - 3) |
|--|---|---|---|--|
| 1. Fire .....  | 0   | 0   | 0   | 0  |
| 2. Allied lines .....  | 0   | 0   | 0   | 0  |
| 3. Farmowners multiple peril .....                               | 0   | 0   | 0   | 0  |
| 4. Homeowners multiple peril .....                               | 0   | 0   | 0   | 0  |
| 5. Commercial multiple peril .....                               | 0   | 0   | 0   | 0  |
| 6. Mortgage guaranty .....                                       | 0   | 0   | 0   | 0  |
| 8. Ocean marine .....  | 0   | 0   | 0   | 0  |
| 9. Inland marine .....   | 0   | 0   | 0   | 0  |
| 10. Financial guaranty .....                                     | 0   | 0   | 0   | 0  |
| 11.1 Medical professional liability-occurrence .....             | 0   | 0   | 0   | 0  |
| 11.2 Medical professional liability-claims-made .....            | 0   | 0   | 0   | 0  |
| 12. Earthquake .....   | 0   | 0   | 0   | 0  |
| 13. Group accident and health .....                              | 0   | 0   | 0   | 0  |
| 14. Credit accident and health (group and individual) .....      | 0   | 0   | 0   | 0  |
| 15. Other accident and health .....                              | 0   | 0   | 0   | 0  |
| 16. Workers' compensation .....                                  | 0   | 0   | 0   | 0  |
| 17.1 Other liability-occurrence .....                            | 0   | 0   | 0   | 0  |
| 17.2 Other liability-claims-made .....                           | 0   | 0   | 0   | 0  |
| 17.3 Excess workers' compensation .....                          | 0   | 0   | 0   | 0  |
| 18.1 Products liability-occurrence .....                         | 0   | 0   | 0   | 0  |
| 18.2 Products liability-claims-made .....                        | 0   | 0   | 0   | 0  |
| 19.1,19.2 Private passenger auto liability .....                 | 60,945,985  | 28,022,789  | 28,491,186  | 60,477,588   |
| 19.3,19.4 Commercial auto liability .....                        | 0   | 0   | 0   | 0  |
| 21. Auto physical damage .....                                   | 19,347,769  | 9,211,892   | 9,238,249   | 19,321,412   |
| 22. Aircraft (all perils) .....                                  | 0   | 0   | 0   | 0  |
| 23. Fidelity .....   | 0   | 0   | 0   | 0  |
| 24. Surety .....   | 0   | 0   | 0   | 0  |
| 26. Burglary and theft .....                                     | 0   | 0   | 0   | 0  |
| 27. Boiler and machinery .....                                   | 0   | 0   | 0   | 0  |
| 28. Credit .....   | 0   | 0   | 0   | 0  |
| 29. International .....  | 0   | 0   | 0   | 0  |
| 30. Warranty .....   | 0   | 0   | 0   | 0  |
| 31. Reinsurance-nonproportional assumed property .....           | 0   | 0   | 0   | 0  |
| 32. Reinsurance-nonproportional assumed liability .....          | 0   | 0   | 0   | 0  |
| 33. Reinsurance-nonproportional assumed financial lines .....    | 0   | 0   | 0   | 0  |
| 34. Aggregate write-ins for other lines of business .....        | 0   | 0   | 0   | 0  |
| 35. TOTALS .....   | 80,293,754  | 37,234,681  | 37,729,435  | 79,799,000   |
| <b>DETAILS OF WRITE-INS</b>                                      |   |   |   |  |
| 3401. ....   |   |   |   |  |
| 3402. ....   |   |   |   |  |
| 3403. ....   |   |   |   |  |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page | 0   | 0   | 0   | 0  |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) | 0   | 0   | 0   | 0  |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

| Line of Business  | 1<br>Amount Unearned<br>(Running One Year or<br>Less from Date of<br>Policy)<br>(a) | 2<br>Amount Unearned<br>(Running More Than<br>One Year from Date<br>of Policy)<br>(a) | 3<br>Earned<br>but<br>Unbilled Premium | 4<br>Reserve for Rate<br>Credits and<br>Retrospective<br>Adjustments Based<br>on Experience | 5<br>Total Reserve<br>for<br>Unearned Premiums<br>Cols. 1 + 2 + 3 + 4 |
|---|---|---|--|---|---|
| 1. Fire .....   |   |   |  |   | 0   |
| 2. Allied lines .....   |   |   |  |   | 0   |
| 3. Farmowners multiple peril .....  |   |   |  |   | 0   |
| 4. Homeowners multiple peril .....  |   |   |  |   | 0   |
| 5. Commercial multiple peril .....  |   |   |  |   | 0   |
| 6. Mortgage guaranty .....  |   |   |  |   | 0   |
| 8. Ocean marine .....   |   |   |  |   | 0   |
| 9. Inland marine .....  |   |   |  |   | 0   |
| 10. Financial guaranty .....  |   |   |  |   | 0   |
| 11.1 Medical professional liability-occurrence .....                      |   |   |  |   | 0   |
| 11.2 Medical professional liability-claims-made .....                     |   |   |  |   | 0   |
| 12. Earthquake .....  |   |   |  |   | 0   |
| 13. Group accident and health .....                                       |   |   |  |   | 0   |
| 14. Credit accident and health (group and individual) .....               |   |   |  |   | 0   |
| 15. Other accident and health .....                                       |   |   |  |   | 0   |
| 16. Workers' compensation .....   |   |   |  |   | 0   |
| 17.1 Other liability-occurrence .....                                     |   |   |  |   | 0   |
| 17.2 Other liability-claims-made .....                                    |   |   |  |   | 0   |
| 17.3 Excess workers' compensation .....                                   |   |   |  |   | 0   |
| 18.1 Products liability-occurrence .....                                  |   |   |  |   | 0   |
| 18.2 Products liability-claims-made .....                                 |   |   |  |   | 0   |
| 19.1,19.2 Private passenger auto liability .....                          | 28,491,186  |   |  |   | 28,491,186  |
| 19.3,19.4 Commercial auto liability .....                                 |   |   |  |   | 0   |
| 21. Auto physical damage .....  | 9,238,249   |   |  |   | 9,238,249   |
| 22. Aircraft (all perils) .....   |   |   |  |   | 0   |
| 23. Fidelity .....  |   |   |  |   | 0   |
| 24. Surety .....  |   |   |  |   | 0   |
| 26. Burglary and theft .....  |   |   |  |   | 0   |
| 27. Boiler and machinery .....  |   |   |  |   | 0   |
| 28. Credit .....  |   |   |  |   | 0   |
| 29. International .....   |   |   |  |   | 0   |
| 30. Warranty .....  |   |   |  |   | 0   |
| 31. Reinsurance-nonproportional assumed property .....                    |   |   |  |   | 0   |
| 32. Reinsurance-nonproportional assumed liability .....                   |   |   |  |   | 0   |
| 33. Reinsurance-nonproportional assumed financial<br>lines .....          |   |   |  |   | 0   |
| 34. Aggregate write-ins for other lines of business .....                 | 0   | 0   | 0                                      | 0   | 0   |
| 35. TOTALS .....  | 37,729,435  | 0   | 0                                      | 0   | 37,729,435  |
| 36. Accrued retrospective premiums based on experience .....              |   |   |  |   |   |
| 37. Earned but unbilled premiums .....                                    |   |   |  |   |   |
| 38. Balance (Sum of Lines 35 through 37) .....                            |   |   |  |   | 37,729,435  |
| <b>DETAILS OF WRITE-INS</b>   |   |   |  |   |   |
| 3401. ....  |   |   |  |   |   |
| 3402. ....  |   |   |  |   |   |
| 3403. ....  |   |   |  |   |   |
| 3498. Sum. of remaining write-ins for Line 34 from<br>overflow page.....  | 0   | 0   | 0                                      | 0   | 0   |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line<br>34 above) ..... | 0   | 0   | 0                                      | 0   | 0   |

(a) State here basis of computation used in each case. Daily Pro-Rata

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

| Line of Business   | 1<br>Direct<br>Business<br>(a) | Reinsurance Assumed     |                             | Reinsurance Ceded     |                           | 6<br>Net Premiums<br>Written Cols.<br>1 + 2 + 3 - 4 - 5 |
|--|--------------------------------|-------------------------|-----------------------------|-----------------------|---------------------------|---|
|  |                                | 2<br>From<br>Affiliates | 3<br>From<br>Non-Affiliates | 4<br>To<br>Affiliates | 5<br>To<br>Non-Affiliates |   |
| 1. Fire .....  |                                |                         |                             |                       |                           | 0   |
| 2. Allied lines .....  |                                |                         |                             |                       |                           | 0   |
| 3. Farmowners multiple peril .....                                     |                                |                         |                             |                       |                           | 0   |
| 4. Homeowners multiple peril .....                                     |                                |                         |                             |                       |                           | 0   |
| 5. Commercial multiple peril .....                                     |                                |                         |                             |                       |                           | 0   |
| 6. Mortgage guaranty .....   |                                |                         |                             |                       |                           | 0   |
| 8. Ocean marine .....  |                                |                         |                             |                       |                           | 0   |
| 9. Inland marine .....   |                                |                         |                             |                       |                           | 0   |
| 10. Financial guaranty .....   |                                |                         |                             |                       |                           | 0   |
| 11.1 Medical professional liability-occurrence .....                   |                                |                         |                             |                       |                           | 0   |
| 11.2 Medical professional liability-claims-made .....                  |                                |                         |                             |                       |                           | 0   |
| 12. Earthquake .....   |                                |                         |                             |                       |                           | 0   |
| 13. Group accident and health .....                                    |                                |                         |                             |                       |                           | 0   |
| 14. Credit accident and health (group and individual) .....            |                                |                         |                             |                       |                           | 0   |
| 15. Other accident and health .....                                    |                                |                         |                             |                       |                           | 0   |
| 16. Workers' compensation .....  |                                |                         |                             |                       |                           | 0   |
| 17.1 Other liability-occurrence .....                                  |                                |                         |                             |                       |                           | 0   |
| 17.2 Other liability-claims-made .....                                 |                                |                         |                             |                       |                           | 0   |
| 17.3 Excess workers' compensation .....                                |                                |                         |                             |                       |                           | 0   |
| 18.1 Products liability-occurrence .....                               |                                |                         |                             |                       |                           | 0   |
| 18.2 Products liability-claims-made .....                              |                                |                         |                             |                       |                           | 0   |
| 19.1, 19.2 Private passenger auto liability .....                      | 47,102,371                     | 60,945,985              |                             | 47,112,079            | (9,708)                   | 60,945,985  |
| 19.3, 19.4 Commercial auto liability .....                             | 13,476,231                     | 19,347,769              |                             | 13,476,231            |                           | 19,347,769  |
| 21. Auto physical damage .....   |                                |                         |                             |                       |                           | 0   |
| 22. Aircraft (all perils) .....  |                                |                         |                             |                       |                           | 0   |
| 23. Fidelity .....   |                                |                         |                             |                       |                           | 0   |
| 24. Surety .....   |                                |                         |                             |                       |                           | 0   |
| 26. Burglary and theft .....   |                                |                         |                             |                       |                           | 0   |
| 27. Boiler and machinery .....   |                                |                         |                             |                       |                           | 0   |
| 28. Credit .....   |                                |                         |                             |                       |                           | 0   |
| 29. International .....  |                                |                         |                             |                       |                           | 0   |
| 30. Warranty .....   |                                |                         |                             |                       |                           | 0   |
| 31. Reinsurance-nonproportional assumed property .....                 | XXX                            |                         |                             |                       |                           | 0   |
| 32. Reinsurance-nonproportional assumed liability .....                | XXX                            |                         |                             |                       |                           | 0   |
| 33. Reinsurance-nonproportional assumed financial lines .....          | XXX                            |                         |                             |                       |                           | 0   |
| 34. Aggregate write-ins for other lines of business .....              | 0                              | 0                       | 0                           | 0                     | 0                         | 0   |
| 35. TOTALS .....   | 60,578,602                     | 80,293,754              | 0                           | 60,588,310            | (9,708)                   | 80,293,754  |
| <b>DETAILS OF WRITE-INS</b>  |                                |                         |                             |                       |                           |   |
| 3401. ....   |                                |                         |                             |                       |                           |   |
| 3402. ....   |                                |                         |                             |                       |                           |   |
| 3403. ....   |                                |                         |                             |                       |                           |   |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page ..... | 0                              | 0                       | 0                           | 0                     | 0                         | 0   |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) ..... | 0                              | 0                       | 0                           | 0                     | 0                         | 0   |

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$ .....0

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....0

## ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - LOSSES PAID AND INCURRED

| Line of Business   | Direct Business | Losses Paid Less Salvage    |                               |  | Net Losses<br>Unpaid<br>Current Year<br>(Part 2A, Col. 8) | Net Losses<br>Unpaid<br>Prior Year | Losses Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | Percentage of Losses<br>Incurred<br>(Col. 7, Part 2)<br>to Premiums Earned<br>(Col. 4, Part 1) |
|--|-----------------|-----------------------------|-------------------------------|--|---|------------------------------------|--|--|
|  |                 | 1<br>Reinsurance<br>Assumed | 2<br>Reinsurance<br>Recovered | 3<br>Net Payments<br>(Cols. 1 + 2 - 3) |   |                                    |  |  |
| 1. Fire .....  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 2. Allied lines .....  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 3. Farmowners multiple peril .....                                     |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 4. Homeowners multiple peril .....                                     |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 5. Commercial multiple peril .....                                     |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 6. Mortgage guaranty .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 8. Ocean marine .....  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 9. Inland marine .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 10. Financial guaranty .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 11.1 Medical professional liability-occurrence .....                   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 11.2 Medical professional liability-claims-made .....                  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 12. Earthquake .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 13. Group accident and health .....                                    |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 14. Credit accident and health (group and individual) .....            |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 15. Other accident and health .....                                    |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 16. Workers' compensation .....  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 17.1 Other liability-occurrence .....                                  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 17.2 Other liability-claims-made .....                                 |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 17.3 Excess workers' compensation .....                                |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 18.1 Products liability-occurrence .....                               |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 18.2 Products liability-claims-made .....                              |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 19.1,19.2 Private passenger auto liability .....                       | 34,229,158      | 42,610,698                  | 34,229,158                    | 42,610,698                             | 22,629,401  | 28,509,400                         | 36,730,699   | 60.7   |
| 19.3,19.4 Commercial auto liability .....                              |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 21. Auto physical damage .....   | 7,011,182       | 10,216,446                  | 7,011,182                     | 10,216,446                             | 704,973   | 1,154,030                          | 9,767,389  | 50.6   |
| 22. Aircraft (all perils) .....  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 23. Fidelity .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 24. Surety .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 26. Burglary and theft .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 27. Boiler and machinery .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 28. Credit .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 29. International .....  |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 30. Warranty .....   |                 |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 31. Reinsurance-nonproportional assumed property .....                 | XXX             |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 32. Reinsurance-nonproportional assumed liability .....                | XXX             |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 33. Reinsurance-nonproportional assumed financial lines .....          | XXX             |                             |                               | 0                                      | 0   | 0                                  | 0  | .0   |
| 34. Aggregate write-ins for other lines of business .....              | 0               | 0                           | 0                             | 0                                      | 0   | 0                                  | 0  | .0   |
| 35. TOTALS .....   | 41,240,340      | 52,827,144                  | 41,240,340                    | 52,827,144                             | 23,334,374  | 29,663,430                         | 46,498,088   | 58.3   |
| <b>DETAILS OF WRITE-INS</b>  |                 |                             |                               |  |   |                                    |  |  |
| 3401. ....   |                 |                             |                               |  |   |                                    |  |  |
| 3402. ....   |                 |                             |                               |  |   |                                    |  |  |
| 3403. ....   |                 |                             |                               |  |   |                                    |  |  |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page ..... | 0               | 0                           | 0                             | 0                                      | 0   | 0                                  | 0  | .0   |
| 3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....    | 0               | 0                           | 0                             | 0                                      | 0   | 0                                  | 0  | .0   |

## ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business   | Reported Losses |                             |  |  | Incurred But Not Reported |                             |                           | 8          | 9         |
|--|-----------------|-----------------------------|--|--|---------------------------|-----------------------------|---------------------------|------------|-----------|
|  | 1<br>Direct     | 2<br>Reinsurance<br>Assumed | 3<br>Deduct Reinsurance<br>Recoverable | 4<br>Net Losses Excl.<br>Incurred But<br>Not Reported<br>(Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance<br>Assumed | 7<br>Reinsurance<br>Ceded |            |           |
| 1. Fire .....  |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 2. Allied lines .....  |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 3. Farmowners multiple peril .....                                     |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 4. Homeowners multiple peril .....                                     |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 5. Commercial multiple peril .....                                     |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 6. Mortgage guaranty .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 8. Ocean marine .....  |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 9. Inland marine .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 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 .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 13. Group accident and health .....                                    |                 |                             |  | 0  |                           |                             |                           | (a)        | 0         |
| 14. Credit accident and health (group and individual) .....            |                 |                             |  | 0  |                           |                             |                           | (a)        | 0         |
| 15. Other accident and health .....                                    |                 |                             |  | 0  |                           |                             |                           | (a)        | 0         |
| 16. Workers' compensation .....  |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 17.1 Other liability-occurrence .....                                  |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 17.2 Other liability-claims-made .....                                 |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 17.3 Excess workers' compensation .....                                |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 18.1 Products liability-occurrence .....                               |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 18.2 Products liability-claims-made .....                              |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 19.1,19.2 Private passenger auto liability .....                       | 16,838,558      | 18,436,739                  | .16,838,558                            | 18,436,739   | .4,651,823                | 4,192,662                   | .4,651,823                | 22,629,401 | 3,583,512 |
| 19.3,19.4 Commercial auto liability .....                              |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 21. Auto physical damage .....   | 657,731         | 1,211,896                   | .657,731                               | 1,211,896  | (396,900)                 | (506,923)                   | (396,900)                 | 704,973    | 196,530   |
| 22. Aircraft (all perils) .....  |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 23. Fidelity .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 24. Surety .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 26. Burglary and theft .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 27. Boiler and machinery .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 28. Credit .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 29. International .....  |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 30. Warranty .....   |                 |                             |  | 0  |                           |                             |                           | 0          | 0         |
| 31. Reinsurance-nonproportional assumed property .....                 | XXX             |                             |  | 0  | XXX                       |                             |                           | 0          | 0         |
| 32. Reinsurance-nonproportional assumed liability .....                | XXX             |                             |  | 0  | XXX                       |                             |                           | 0          | 0         |
| 33. Reinsurance-nonproportional assumed financial lines .....          | XXX             |                             |  | 0  | XXX                       |                             |                           | 0          | 0         |
| 34. Aggregate write-ins for other lines of business .....              | 0               | .0                          | 0                                      | 0  | 0                         | .0                          | 0                         | 0          | 0         |
| 35. TOTALS .....   | 17,496,289      | 19,648,635                  | 17,496,289                             | 19,648,635   | 4,254,923                 | 3,685,739                   | 4,254,923                 | 23,334,374 | 3,780,042 |
| <b>DETAILS OF WRITE-INS</b>  |                 |                             |  |  |                           |                             |                           |            |           |
| 3401. ....   |                 |                             |  |  |                           |                             |                           |            |           |
| 3402. ....   |                 |                             |  |  |                           |                             |                           |            |           |
| 3403. ....   |                 |                             |  |  |                           |                             |                           |            |           |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page ..... | 0               | .0                          | 0                                      | 0  | 0                         | 0                           | 0                         | 0          | 0         |
| 3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....    | 0               | 0                           | 0                                      | 0  | 0                         | 0                           | 0                         | 0          | 0         |

(a) Including \$ 0 for present value of life indemnity claims.

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - EXPENSES**

|   | 1<br>Loss Adjustment<br>Expenses | 2<br>Other Underwriting<br>Expenses | 3<br>Investment<br>Expenses | 4<br>Total     |
|---|----------------------------------|-------------------------------------|-----------------------------|----------------|
| 1. Claim adjustment services:   |                                  |                                     |                             |                |
| 1.1 Direct .....  | 931,700                          | 0                                   | 0                           | 931,700        |
| 1.2 Reinsurance assumed .....   | 1,387,320                        | 0                                   | 0                           | 1,387,320      |
| 1.3 Reinsurance ceded .....   | 823,238                          | 0                                   | 0                           | 823,238        |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....                               | 1,495,782                        | 0                                   | 0                           | 1,495,782      |
| 2. Commission and brokerage:  |                                  |                                     |                             |                |
| 2.1 Direct, excluding contingent .....  | 0                                | 9,091,269                           | 0                           | 9,091,269      |
| 2.2 Reinsurance assumed, excluding contingent .....                                     | 5,700,406                        | 26,746,761                          | 0                           | 32,447,167     |
| 2.3 Reinsurance ceded, excluding contingent .....                                       | 4,895,819                        | 16,751,932                          | 0                           | 21,647,751     |
| 2.4 Contingent-direct .....   | 0                                | 81,962                              | 0                           | 81,962         |
| 2.5 Contingent-reinsurance assumed .....  | 0                                | 0                                   | 0                           | 0              |
| 2.6 Contingent-reinsurance ceded .....  | 0                                | 0                                   | 0                           | 0              |
| 2.7 Policy and membership fees .....  | 0                                | 0                                   | 0                           | 0              |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....        | 804,587                          | 19,168,060                          | 0                           | 19,972,647     |
| 3. Allowances to manager and agents .....   | 0                                | 0                                   | 51,848                      | 51,848         |
| 4. Advertising .....  | 0                                | 50,895                              | 0                           | 50,895         |
| 5. Boards, bureaus and associations .....   | 0                                | 0                                   | 0                           | 0              |
| 6. Surveys and underwriting reports .....   | 678,165                          | 1,548,413                           | 0                           | 2,226,578      |
| 7. Audit of assureds' records .....   | 0                                | 0                                   | 0                           | 0              |
| 8. Salary and related items:  |                                  |                                     |                             |                |
| 8.1 Salaries .....  | 3,164,553                        | 5,342,538                           | 0                           | 8,507,091      |
| 8.2 Payroll taxes .....   | 243,229                          | 302,035                             | 0                           | 545,264        |
| 9. Employee relations and welfare .....   | 32,768                           | 1,033,239                           | 0                           | 1,066,007      |
| 10. Insurance .....   | 0                                | 89,808                              | 0                           | 89,808         |
| 11. Directors' fees .....   | 0                                | 0                                   | 0                           | 0              |
| 12. Travel and travel items .....   | 146,026                          | 113,593                             | 0                           | 259,619        |
| 13. Rent and rent items .....   | 24,896                           | 446,536                             | 0                           | 471,432        |
| 14. Equipment .....   | 215,518                          | 710,348                             | 0                           | 925,866        |
| 15. Cost or depreciation of EDP equipment and software .....                            | 0                                | 0                                   | 0                           | 0              |
| 16. Printing and stationery .....   | 22,392                           | 109,190                             | 0                           | 131,582        |
| 17. Postage, telephone and telegraph, exchange and express .....                        | 55,834                           | 832,658                             | 0                           | 888,492        |
| 18. Legal and auditing .....  | 38,072                           | 370,676                             | 0                           | 408,748        |
| 19. Totals (Lines 3 to 18) .....  | 4,621,453                        | 10,949,929                          | 51,848                      | 15,623,230     |
| 20. Taxes, licenses and fees:   |                                  |                                     |                             |                |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ ..... | 0                                | 1,562,770                           | 0                           | 1,562,770      |
| 20.2 Insurance department licenses and fees .....                                       | 6,421                            | 53,843                              | 0                           | 60,264         |
| 20.3 Gross guaranty association assessments .....                                       | 0                                | 1,126                               | 0                           | 1,126          |
| 20.4 All other (excluding federal and foreign income and real estate) .....             | 0                                | 4,726                               | 0                           | 4,726          |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                   | 6,421                            | 1,622,465                           | 0                           | 1,628,886      |
| 21. Real estate expenses .....  | 0                                | 0                                   | 0                           | 0              |
| 22. Real estate taxes .....   | 0                                | 0                                   | 0                           | 0              |
| 23. Reimbursements by uninsured plans .....   | 0                                | 0                                   | 0                           | 0              |
| 24. Aggregate write-ins for miscellaneous expenses .....                                | 267,945                          | 694,658                             | 0                           | 962,603        |
| 25. Total expenses incurred .....   | 7,196,188                        | 32,435,112                          | 51,848                      | (a) 39,683,148 |
| 26. Less unpaid expenses-current year .....   | 3,780,042                        | 588,358                             | 0                           | 4,368,400      |
| 27. Add unpaid expenses-prior year .....  | 4,626,011                        | 780,746                             | 0                           | 5,406,757      |
| 28. Amounts receivable relating to uninsured plans, prior year .....                    | 0                                | 0                                   | 0                           | 0              |
| 29. Amounts receivable relating to uninsured plans, current year .....                  | 0                                | 0                                   | 0                           | 0              |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....                            | 8,042,157                        | 32,627,500                          | 51,848                      | 40,721,505     |
| <b>DETAILS OF WRITE-INS</b>   |                                  |                                     |                             |                |
| 2401. Bank Charges .....  | 0                                | 413,466                             | 0                           | 413,466        |
| 2402. Management Fees .....   | 0                                | 0                                   | 0                           | 0              |
| 2403. Miscellaneous Expense .....   | 49,774                           | 77,807                              | 0                           | 127,581        |
| 2498. Summary of remaining write-ins for Line 24 from overflow page .....               | 218,171                          | 203,385                             | 0                           | 421,556        |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) .....                  | 267,945                          | 694,658                             | 0                           | 962,603        |

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

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**EXHIBIT OF NET INVESTMENT INCOME**

|   | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|---|-------------------------------|----------------------------|
| 1. U.S. Government bonds .....  | (a) 22,741                    | 52,626                     |
| 1.1 Bonds exempt from U.S. tax .....  | (a) 1,177,380                 | 1,189,791                  |
| 1.2 Other bonds (unaffiliated) .....  | (a) 1,298,644                 | 1,219,364                  |
| 1.3 Bonds of affiliates .....   | (a) 0                         | 0                          |
| 2.1 Preferred stocks (unaffiliated) .....                                     | (b) 0                         | 0                          |
| 2.11 Preferred stocks of affiliates .....                                     | (b) 0                         | 0                          |
| 2.2 Common stocks (unaffiliated) .....  | 0                             | 0                          |
| 2.21 Common stocks of affiliates .....  | 0                             | 0                          |
| 3. Mortgage loans .....   | (c) .....                     | .....                      |
| 4. Real estate .....  | (d) .....                     | .....                      |
| 5. Contract loans .....   | (e) 359                       | 359                        |
| 6. Cash, cash equivalents and short-term investments .....                    | (f) .....                     | .....                      |
| 7. Derivative instruments .....   | 0                             | 0                          |
| 8. Other invested assets .....  | 0                             | 0                          |
| 9. Aggregate write-ins for investment income .....                            | 0                             | 0                          |
| 10. Total gross investment income .....                                       | 2,499,124                     | 2,462,140                  |
| 11. Investment expenses .....   | (g) 51,848                    | 51,848                     |
| 12. Investment taxes, licenses and fees, excluding federal income taxes ..... | (g) .....                     | .....                      |
| 13. Interest expense .....  | (h) .....                     | .....                      |
| 14. Depreciation on real estate and other invested assets .....               | (i) .....                     | .....                      |
| 15. Aggregate write-ins for deductions from investment income .....           | 0                             | 0                          |
| 16. Total deductions (Lines 11 through 15) .....                              | 51,848                        | 51,848                     |
| 17. Net investment income (Line 10 minus Line 16) .....                       | 2,410,292                     | 2,410,292                  |
| <b>DETAILS OF WRITE-INS</b>   |                               |                            |
| 0901. .....   | .....                         | .....                      |
| 0902. .....   | .....                         | .....                      |
| 0903. .....   | .....                         | .....                      |
| 0998. Summary of remaining write-ins for Line 9 from overflow page .....      | 0                             | 0                          |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....         | 0                             | 0                          |
| 1501. .....   | .....                         | .....                      |
| 1502. .....   | .....                         | .....                      |
| 1503. .....   | .....                         | .....                      |
| 1598. Summary of remaining write-ins for Line 15 from overflow page .....     | 0                             | 0                          |
| 1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) .....        | 0                             | 0                          |

(a) Includes \$ 6,685 accrual of discount less \$ 1,326,047 amortization of premium and less \$ 63,780 paid for accrued interest on purchases.  
 (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... 0 paid for accrued dividends on purchases.  
 (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
 (e) Includes \$ 32 accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
 (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
 (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

|  | 1<br>Realized<br>Gain (Loss)<br>On Sales or<br>Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized Capital<br>Gain (Loss) | 5<br>Change in<br>Unrealized Foreign<br>Exchange Capital<br>Gain (Loss) |
|--|---|---------------------------------------|---|---|---|
| 1. U.S. Government bonds .....   | .0  | .....                                 | .....   | .....   | .....   |
| 1.1 Bonds exempt from U.S. tax .....                                     | (7,288)   | .....                                 | (7,288)   | .....   | .....   |
| 1.2 Other bonds (unaffiliated) .....                                     | 171,116   | .....                                 | 171,116   | .....   | .....   |
| 1.3 Bonds of affiliates .....  | 0   | 0                                     | 0   | 0   | 0   |
| 2.1 Preferred stocks (unaffiliated) .....                                | 0   | 0                                     | 0   | 0   | 0   |
| 2.11 Preferred stocks of affiliates .....                                | 0   | 0                                     | 0   | 0   | 0   |
| 2.2 Common stocks (unaffiliated) .....                                   | 0   | 0                                     | 0   | 0   | 0   |
| 2.21 Common stocks of affiliates .....                                   | 0   | 0                                     | 0   | 0   | 0   |
| 3. Mortgage loans .....  | 0   | 0                                     | 0   | 0   | 0   |
| 4. Real estate .....   | 0   | 0                                     | 0   | 0   | 0   |
| 5. Contract loans .....  | 0   | 0                                     | 0   | 0   | 0   |
| 6. Cash, cash equivalents and short-term investments .....               | 0   | 0                                     | 0   | 0   | 0   |
| 7. Derivative instruments .....  | 0   | 0                                     | 0   | 0   | 0   |
| 8. Other invested assets .....   | 0   | 0                                     | 0   | 0   | 0   |
| 9. Aggregate write-ins for capital gains (losses) .....                  | 0   | 0                                     | 0   | 0   | 0   |
| 10. Total capital gains (losses) .....                                   | 163,828   | 0                                     | 163,828   | 503,654   | 0   |
| <b>DETAILS OF WRITE-INS</b>  |   |                                       | .....   | .....   | .....   |
| 0901. .....  | .....   | .....                                 | .....   | .....   | .....   |
| 0902. .....  | .....   | .....                                 | .....   | .....   | .....   |
| 0903. .....  | .....   | .....                                 | .....   | .....   | .....   |
| 0998. Summary of remaining write-ins for Line 9 from overflow page ..... | 0   | 0                                     | 0   | 0   | 0   |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....    | 0   | 0                                     | 0   | 0   | 0   |

## EXHIBIT OF NONADMITTED ASSETS

|  | 1<br>Current Year Total<br>Nonadmitted Assets | 2<br>Prior Year Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|--|---|---|---|
| 1. Bonds (Schedule D).....   | 0   | 0   | 0   |
| 2. Stocks (Schedule D):  |   |   |   |
| 2.1 Preferred stocks .....   | 0   | 0   | 0   |
| 2.2 Common stocks .....  | 0   | 0   | 0   |
| 3. Mortgage loans on real estate (Schedule B):   |   |   |   |
| 3.1 First liens .....  | 0   | 0   | 0   |
| 3.2 Other than first liens .....   | 0   | 0   | 0   |
| 4. Real estate (Schedule A):   |   |   |   |
| 4.1 Properties occupied by the company .....   | 0   | 0   | 0   |
| 4.2 Properties held for the production of income.....  | 0   | 0   | 0   |
| 4.3 Properties held for sale .....   | 0   | 0   | 0   |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and<br>short-term investments (Schedule DA).....     | 0   | 0   | 0   |
| 6. Contract loans .....  | 0   | 0   | 0   |
| 7. Derivatives (Schedule DB).....  | 0   | 0   | 0   |
| 8. Other invested assets (Schedule BA) .....   | 0   | 0   | 0   |
| 9. Receivables for securities .....  | 0   | 0   | 0   |
| 10. Securities lending reinvested collateral assets (Schedule DL).....   | 0   | 0   | 0   |
| 11. Aggregate write-ins for invested assets .....  | 0   | 0   | 0   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  | 0   | 0   | 0   |
| 13. Title plants (for Title insurers only).....  | 0   | 0   | 0   |
| 14. Investment income due and accrued .....  | 0   | 0   | 0   |
| 15. Premiums and considerations:   |   |   |   |
| 15.1 Uncollected premiums and agents' balances in the course of<br>collection.....                                     | 49,477  | 110,904                                     | .61,427   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred<br>and not yet due.....                  | 0   | 0   | 0   |
| 15.3 Accrued retrospective premiums.....   | 0   | 0   | 0   |
| 16. Reinsurance:   |   |   |   |
| 16.1 Amounts recoverable from reinsurers .....   | 0   | 0   | 0   |
| 16.2 Funds held by or deposited with reinsured companies .....   | 0   | 0   | 0   |
| 16.3 Other amounts receivable under reinsurance contracts .....  | 0   | 0   | 0   |
| 17. Amounts receivable relating to uninsured plans .....   | 0   | 0   | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                     | 0   | 0   | 0   |
| 18.2 Net deferred tax asset.....   | 227,092                                       | 137,150                                     | (89,942)  |
| 19. Guaranty funds receivable or on deposit .....  | 0   | 0   | 0   |
| 20. Electronic data processing equipment and software.....   | 0   | 0   | 0   |
| 21. Furniture and equipment, including health care delivery assets.....  | 0   | 0   | 0   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....                                       | 0   | 0   | 0   |
| 23. Receivables from parent, subsidiaries and affiliates .....   | 0   | 0   | 0   |
| 24. Health care and other amounts receivable.....  | 0   | 0   | 0   |
| 25. Aggregate write-ins for other-than-invested assets .....   | 0   | 0   | 0   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25)..... | 276,569                                       | 248,054                                     | (28,515)  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                                       | 0   | 0   | 0   |
| 28. Total (Lines 26 and 27).....   | 276,569                                       | 248,054                                     | (28,515)  |
| <b>DETAILS OF WRITE-INS</b>  |   |   |   |
| 1101. .....  |   | 0   | 0   |
| 1102. .....  |   |   |   |
| 1103. .....  |   |   |   |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  | 0   | 0   | 0   |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....   | 0   | 0   | 0   |
| 2501. .....  |   | 0   | 0   |
| 2502. .....  |   |   |   |
| 2503. .....  |   |   |   |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....  | 0   | 0   | 0   |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....   | 0   | 0   | 0   |

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

A. The accompanying financial statements of Permanent General Assurance Corporation of Ohio (PGACOH) have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual except to the extent that Ohio law differs. However, as of this Statement date, there have been no requests from the State of Ohio to depart from the prescribed NAIC guidelines.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

|   | <u>2014</u>  | <u>2013</u>  |
|---|--------------|--------------|
| <u>Net Income</u>   |              |              |
| (1) Ohio company state basis (Page 4, Line 20, Column 1 & 3)        | \$1,622,107  | \$2,219,801  |
| (2) State prescribed practices that increase / (decrease) NAIC SAP: |              |              |
| (3) State permitted practices that increase / (decrease) NAIC SAP:  |              |              |
| (4) NAIC SAP  | \$1,622,107  | \$2,219,801  |
| <u>Surplus</u>  |              |              |
| (5) Ohio company state basis (Page 3, Line 37, Column 1 & 2)        | \$64,384,154 | \$63,193,342 |
| (6) State prescribed practices that increase / (decrease) NAIC SAP: |              |              |
| (7) State permitted practices that increase / (decrease) NAIC SAP:  |              |              |
| (8) NAIC SAP  | \$64,384,154 | \$63,193,342 |

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### C. Accounting Policy

Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

- (1) Investments in short-term bonds rated "1" (highest quality), or "2" (high quality) by the Securities Valuation Office ("SVO") of the NAIC are reported in the financial statements at amortized cost. Bonds rated "3" (medium quality), "4" (low quality), "5" (lower quality), or "6" (lowest quality) by the SVO are reported at the lower of amortized cost or fair value. The interest method is used to amortize any purchase premium or discount, including estimates of future prepayments obtained from independent sources. Money market mutual funds are recorded at amortized cost, which approximates fair market value.
- (2) Investments in bonds rated "1" (highest quality), or "2" (high quality) by the Securities Valuation Office ("SVO") of the NAIC are reported in the financial statements at amortized cost. Bonds rated "3" (medium quality), "4" (low quality), "5" (lower quality), or "6" (lowest quality) by the SVO are reported at the lower of amortized cost or fair value. Investments in commercial mortgage backed securities (CMBS) and non-agency residential mortgage backed securities (RMBS) utilize a two step process to obtain a valuation and rating in accordance with SSAP 43R, Loan Backed and Structured Securities. The first step derives a rating for valuation by comparing the current amortized cost to the modeled range of values assigned to the six NAIC designations for each security. This determines whether the securities are stated at the lower of amortized cost or fair value per the above rules. The second step utilizes the same modeled range of values to derive a rating for reporting using the current carrying value as determined in the first step.

Ratings and valuations for investments in asset backed securities, loan backed securities, and structured securities (other than Equipment Trust Certificates and Credit Tenant Leases) that are otherwise rated by a credit rating provider (CRP) are calculated using a two step process. The first step derives a rating for valuation based on the CRP rating and the NAIC model valuation table. The second step utilizes the model valuation table to derive a rating for reporting using the current carrying value as determined in the first step. Securities whose initial rating is NAIC 1 or NAIC 6 in step one are not further modified by step two. The interest method is used to amortize any purchase premium or discount, including estimates of future prepayments obtained from independent sources.

- (3) Common stocks, if owned are stated at market with exception to the stock of the company's wholly owned subsidiary (which is valued as described in the NAIC Valuation of Securities Manual).
- (4) The Company holds no preferred stock.
- (5) The Company holds no mortgage loans.
- (6) Loan-backed securities are valued at amortized cost using the interest method, including anticipated prepayments at the date of purchase. These values are adjusted for updated prepayment information using the retrospective method.
- (7) The Company values The General Automobile Insurance Company (a wholly owned subsidiary) in accordance with the NAIC policies and procedures manual.
- (8) The Company has no investments in joint ventures, partnerships & limited liability company.
- (9) The Company has no investments in derivatives.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation.
- (11) Reserve for losses represents the estimated liability for claims reported to the Company and an amount, based on actuarially determined reserves for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company has no pharmaceutical rebate receivables.

### 2. Accounting Changes and Corrections of Errors:

None.

### 3. Business Combinations and Goodwill

None.

## NOTES TO FINANCIAL STATEMENTS

### 4. Discontinued Operations

None.

### 5. Investments

- A) The Company has no mortgage loans.
- B) The Company did not restructure any debt.
- C) The Company holds no reverse mortgages.
- D) Loan-Backed Securities
  - (1) Prepayment assumptions for the vast majority of loan-backed securities are obtained from a leading, nationally recognized provider of market data and analytics. If the assumptions for a specific security are not available from the provider, the Company obtains the figures from broker dealer survey values.
  - (2) Not applicable.
  - (3) Not applicable.
  - (4) Aggregate unrealized loss positions on loan-backed securities:

- a. The aggregate amount of unrealized losses:

|                        |          |
|------------------------|----------|
| 1. Less than 12 Months | \$ (317) |
| 2. 12 Months or Longer | \$ -     |

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

|                        |            |
|------------------------|------------|
| 1. Less than 12 Months | \$ 586,247 |
| 2. 12 Months or Longer | \$ -       |

- (5) The Company believes that the unrealized losses related to these securities are temporary. In determining whether these unrealized losses are temporary, the Company considers severity of impairment, duration of impairment, forecasted market price recovery, and the intent and ability of the Company to hold the investment until the market price has recovered or the investment matures.

- E) The Company has no repurchase agreements.
- F) The Company has no real estate investments.
- G) The Company has no low-income housing tax credits (LIHTC).
- H) Restricted Assets.

#### (1) Restricted Assets (Including Pledged) as of December 31, 2014.

| Restricted Asset Category  | Gross Restricted            | Gross Restricted            | Gross Restricted            | Gross Restricted  | Gross Restricted  | Gross Restricted   | Gross Restricted    | Percentage                              | Percentage                                      |   |
|--|-----------------------------|-----------------------------|-----------------------------|---|---|--|---------------------|---|---|---|
|  | Current Yr                  | Current Yr                  | Current Yr                  | Current Yr  | Current Yr  | Current Yr   | Current Yr          | 9                                       | 10  |   |
|  | 1                           | 2                           | 3                           | 4   | 5   | 6  | 7                   |   |   |   |
|  |                             |                             |                             | Protected<br>G/A Supp.<br>Protected<br>Cell<br>Activity | Total<br>Protected<br>Cell<br>Account<br>Restricted<br>Assets | Protected<br>Cell<br>Account<br>Assets<br>Supporting<br>G/A Actvty | Total<br>(1 plus 3) | Total From<br>Prior Year                | Total<br>Increase/<br>(Decrease)<br>(5 minus 6) |   |
| Restricted Asset Category  | Total General Account (G/A) | Total General Account (G/A) | Total General Account (G/A) |   |   |  |                     | Total Current Yr<br>Admitted Restricted | Gross Restricted<br>To Total Assets             | Admitted Restricted<br>To Total Admitted Assets |
| a. Subject to contractual obligation for which liability is not shown          |                             |                             |                             |   |   |  |                     |   |   |   |
| b. Collateral held under security lending agreement                            |                             |                             |                             |   |   |  |                     |   |   |   |
| c. Subject to repurchase agreements  |                             |                             |                             |   |   |  |                     |   |   |   |
| d. Subject to reverse repurchase agreements                                    |                             |                             |                             |   |   |  |                     |   |   |   |
| e. Subject to dollar repurchase agreements                                     |                             |                             |                             |   |   |  |                     |   |   |   |
| f. Subject to dollar reverse repurchase agreements                             |                             |                             |                             |   |   |  |                     |   |   |   |
| g. Placed under option contracts   |                             |                             |                             |   |   |  |                     |   |   |   |
| h. Letter stock or securities restricted as to sale                            |                             |                             |                             |   |   |  |                     |   |   |   |
| i. FHLB capital stock  |                             |                             |                             |   |   |  |                     |   |   |   |
| j. On deposit with states  | \$2,666,528                 |                             |                             |   | \$2,666,528   | \$2,698,586  | (\$32,058)          | \$2,666,528                             | 1.8%  | 1.8%  |
| k. On deposit with other regulatory bodies                                     |                             |                             |                             |   |   |  |                     |   |   |   |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) |                             |                             |                             |   |   |  |                     |   |   |   |
| m. Pledged as collateral not captured in other categories                      |                             |                             |                             |   |   |  |                     |   |   |   |
| n. Other restricted assets   |                             |                             |                             |   |   |  |                     |   |   |   |
| o. Total restricted assets   | \$2,666,528                 |                             |                             |   | \$2,666,528   | \$2,698,586  | (\$32,058)          | \$2,666,528                             | 1.8%  | 1.8%  |
| (a) Subset of column 1   |                             |                             |                             |   |   |  |                     |   |   |   |
| (b) Subset of column 3   |                             |                             |                             |   |   |  |                     |   |   |   |

#### (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories.

Not applicable.

#### (3) Detail of Other Restricted Assets.

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

- I) Working Capital Finance Investments.  
None.
- J) Offsetting and Netting of Assets and Liabilities.  
None.
- K) Structured Notes.  
None.

### 6. Joint Ventures, Partnerships and Limited Liability Companies

None.

### 7. Investment Income

All Investment Income due and accrued is admitted.

### 8. Derivative Instruments

None.

### 9. Income Taxes

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

|  | 31-Dec.-14 |         |           | 31-Dec-13 |         |           | Change<br>Capital | Total    |
|--|------------|---------|-----------|-----------|---------|-----------|-------------------|----------|
|  | Ordinary   | Capital | Total     | Ordinary  | Capital | Total     |                   |          |
| (a) Gross deferred tax assets                                  | 3,621,247  |         | 3,621,247 | 3,527,684 |         | 3,527,684 | 93,563            | 93,563   |
| (b) Stat valuation allow.adj                                   |            |         |           |           |         |           |                   |          |
| (c) Adj gross deferred tax assets (a-b)                        | 3,621,247  |         | 3,621,247 | 3,527,684 |         | 3,527,684 | 93,563            | 93,563   |
| (d) Def tax assets nonadmitted                                 | (227,092)  |         | (227,092) | (137,150) |         | (137,150) | (89,942)          | (89,942) |
| (e) Subtotaled net admitted def tax asset (c-d)                | 3,394,155  |         | 3,394,155 | 3,390,534 |         | 3,390,534 | 3,621             | 3,621    |
| (f) Def tax liabilities  |            |         |           |           |         |           |                   |          |
| (g) Net admitted def tax asset (net def tax liabilities) (e-f) | 3,394,155  |         | 3,394,155 | 3,390,534 |         | 3,390,534 | 3,621             | 3,621    |

| Admission Calculation Components SSAP 101   | 31-Dec.-14 |         |           | 31-Dec-13 |         |           | Change<br>Capital | Total    |
|---|------------|---------|-----------|-----------|---------|-----------|-------------------|----------|
|   | Ordinary   | Capital | Total     | Ordinary  | Capital | Total     |                   |          |
| Federal income taxes paid in prior years recoverable through loss carrybacks                        | 1,414,234  |         | 1,414,234 | 1,343,072 |         | 1,343,072 | 71,162            | 71,162   |
| Adj gross deferred tax assets expected to be realized after application of the threshold limitation | 1,979,922  |         | 1,979,922 | 2,047,462 |         | 2,047,462 | (67,540)          | (67,540) |
| 1. Adj gross deferred tax assets expected to be realized following the balance sheet date           | 1,979,922  |         | 1,979,922 | 2,047,462 |         | 2,047,462 | (67,540)          | (67,540) |
| 2. Adj gross dtas allowed per limitation threshold  |            |         | 8,987,162 |           |         | 8,965,357 |                   | 21,805   |
| Adj gross dtas offset by gross deferred tax liabilities   |            |         |           |           |         |           |                   |          |
| Total   | 3,394,155  |         | 3,394,155 | 3,390,534 |         | 3,390,534 | 3,621             | 3,621    |

|   | 31-Dec.-14 | 31-Dec-13 |
|---|------------|-----------|
| Ratio percentage used to determine recovery period and threshold limitation amount. | 382%       | 472%      |

|  |            |            |
|--|------------|------------|
| Amount of adjusted capital and surplus used to determine recovery period and threshold limitation. | 59,914,416 | 59,769,046 |
|--|------------|------------|

| Impact of tax planning strategies:                   | 31-Dec.-14 |         |       | 31-Dec-13 |         |       | Change<br>Capital | Total |
|--|------------|---------|-------|-----------|---------|-------|-------------------|-------|
|  | Ordinary   | Capital | Total | Ordinary  | Capital | Total |                   |       |
| Adjusted gross DTAs (% of Total Adjusted Gross DTAs) | 0.0%       | 0.0%    | 0.0%  | 0.0%      | 0.0%    | 0.0%  | 0.0%              | 0.0%  |
| Net Admitted Gross DTAs                              | 0.0%       | 0.0%    | 0.0%  | 0.0%      | 0.0%    | 0.0%  | 0.0%              | 0.0%  |
| (% of Total Net Admitted Adj Gross DTAs)             |            |         |       |           |         |       |                   |       |

The Company's tax strategies do not include the use of reinsurance.

### B. Unrecognized DTLs

Not applicable

## NOTES TO FINANCIAL STATEMENTS

## C. Current Tax and Change in Deferred Tax

| <b>Current income tax:</b>                | 31-Dec.-14     | 31-Dec-13      | Change           |
|---|----------------|----------------|------------------|
| Current federal income tax provision      | 525,259        | 998,805        | (473,546)        |
| Prior year (overaccrual)/underaccrual     | 5,821          | 49,711         | (43,890)         |
| Other adjustments                         |                | (91,526)       | 91,526           |
| Federal and foreign income taxes incurred | <u>531,080</u> | <u>956,990</u> | <u>(425,910)</u> |

| <b>Deferred tax assets:</b>              | 31-Dec.-14       | 31-Dec-13        | Change          |
|--|------------------|------------------|-----------------|
| Ordinary:                                |                  |                  |                 |
| Unearned premium reserve@ 20%            | 2,645,616        | 2,612,312        | 33,304          |
| Discounted loss reserves                 | 175,628          | 273,707          | (98,079)        |
| Guaranty fund accrual                    |                  |                  |                 |
| Allowance for Bad Debts                  | 189,350          | 288,807          | (99,457)        |
| Accrued Bonus                            | 461,948          | 221,938          | 240,010         |
| Non-qualified deferred comp              | 148,705          | 124,570          | 24,135          |
| Net Operating Loss Carryover             |                  |                  |                 |
| Unearned Provisional Commission          |                  | 6,351            | (6,351)         |
| Subtotal                                 | <u>3,621,247</u> | <u>3,527,685</u> | <u>93,562</u>   |
| Statutory valuation allowance adjustment |                  |                  |                 |
| Nonadmitted                              | <u>(227,092)</u> | <u>(137,150)</u> | <u>(89,942)</u> |
| Admitted ordinary deferred tax assets    | <u>3,394,155</u> | <u>3,390,535</u> | <u>3,620</u>    |

|  |   |   |   |
|--|---|---|---|
| Capital:                                 |   |   |   |
| Impairment Loss on Investments           | - | - | - |
| Capital loss carryover                   |   |   |   |
| Net unrealized capital losses - SAP      | - | - | - |
| Subtotal                                 | - | - | - |
| Statutory valuation allowance adjustment |   |   |   |
| Nonadmitted                              | - | - | - |
| Admitted capital deferred tax assets     |   |   |   |

|                              |                  |                  |              |
|------------------------------|------------------|------------------|--------------|
| Admitted deferred tax assets | <u>3,394,155</u> | <u>3,390,535</u> | <u>3,620</u> |
|------------------------------|------------------|------------------|--------------|

| <b>Deferred Tax Liabilities:</b> | 31-Dec.-14 | 31-Dec-13 | Change |
|----------------------------------|------------|-----------|--------|
| Ordinary:                        |            |           |        |
| Sec. 481 adjustment              | -          | -         | -      |
| Subtotal                         | -          | -         | -      |

|                                       |                  |                  |              |
|---------------------------------------|------------------|------------------|--------------|
| Capital:                              | -                | -                | -            |
| Subtotal                              | -                | -                | -            |
| Deferred tax liabilities              | -                | -                | -            |
| Net deferred tax assets / liabilities | <u>3,394,155</u> | <u>3,390,535</u> | <u>3,620</u> |

## D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

|                                      | 31-Dec.-14    | Effective Rate |
|--------------------------------------|---------------|----------------|
| Provision computed at statutory rate | 737,952       | 35.00%         |
| Tax exempt interest                  | (353,963)     | -16.79%        |
| Other permanent differences          | 53            | 0.00%          |
| State tax                            | (1,654)       | -0.08%         |
| Rate differential                    | 0             | 0.00%          |
| Provision to return adjustment       | <u>55,130</u> | <u>2.61%</u>   |
| Total                                | 437,517       | 20.75%         |

|   | 31-Dec.-14      | Effective Rate |
|---|-----------------|----------------|
| Federal and foreign income taxes incurred | 531,080         | 25.19%         |
| Current taxes on realized capital gains   | -               | 0.00%          |
| Change in net deferred income taxes       | <u>(93,563)</u> | <u>-4.44%</u>  |
| Total statutory income taxes              | 437,517         | 20.75%         |

## E. Operating Loss and Tax Credit Carryforwards

## NOTES TO FINANCIAL STATEMENTS

At the end of the year, the Company did not have any unused operating loss carryforwards generated in prior years available to offset against future taxable income.

Income tax expense for 2014 and 2013 in the amounts of \$472,733 and \$903,482 are available for recoupment in the event of future losses.

The company does not have any protective tax deposits under Sec. 6603 of the Internal Revenue Code.

**F. Consolidated Federal Income Tax Return for the 2014 tax year.**

1) The Company's federal income tax return will be consolidated with the following entities:

|  |   |
|--|---|
| American Family Mutual Insurance Company (Parent Company)    | PGA Service Corporation                   |
| American Standard Insurance Company of Wisconsin             | Permanent General Companies, Inc.         |
| American Family Insurance Company                            | PGC Holdings Corp                         |
| American Standard Insurance Company of Ohio                  | Homesite Group Incorporated               |
| Midvale Indemnity Company                                    | Homesite Indemnity Company                |
| American Family Financial Services, Inc.                     | Homesite Securities Company, LLC          |
| American Family Brokerage, Inc.                              | Homesite Insurance Company                |
| AmFam, Inc.  | Homesite Insurance Company of California  |
| American Family Life Insurance Company                       | Homesite Insurance Company of Florida     |
| The General Automobile Insurance Company, Inc.               | Homesite Insurance Company of Georgia     |
| The General Automobile Insurance Services, Inc.              | Homesite Insurance Company of Illinois    |
| The General Automobile Insurance Services of Georgia, Inc.   | Homesite Insurance Company of New York    |
| The General Automobile Insurance Services of Louisiana, Inc. | Homesite Insurance Company of the Midwest |
| The General Automobile Insurance Services of Ohio, Inc.      | Texas-South of Homesite, Inc.             |
| The General Automobile Insurance Services of Texas, Inc.     | Homesite Insurance Agency, Inc.           |
| Permanent General Assurance Corporation                      | Homesite Lloyd's of Texas                 |
| Permanent General Assurance Corporation of Ohio              | Homesite General Agent LLC                |

2) The consolidated federal income tax is allocated to each member company in the following manner:

- a. Companies having tax profits on a separate return basis will incur federal tax expense based on their separate return taxable incomes.
- b. Companies with tax losses on a separate basis will be compensated (at the current federal tax rate) for the reduction in the consolidated tax liability resulting from their losses. Such compensation shall come directly from profitable companies that utilize those tax losses to reduce their taxable incomes. A loss company may have to repay this current year compensation back to the profitable company if the profitable company later incurs losses that, on a separate return basis, may be carried back to offset its current year income.
- c. The reduction of the consolidated tax liability due to tax credits shall be allocated to the individual companies producing such credits. Special additional taxes are similarly allocated to each member company.
- d. (1) On a consolidated basis the Company reported the following carry forwards available for recoupment:

|  | 12/31/2014 | 12/31/2013  |
|--|------------|-------------|
| AMT credit carryforwards, which do not expire, in the amount of: | 37,429,662 | 142,483,691 |

(2) The following is income tax expense for 2014, 2013, and 2012 that is available for recoupment in the event of future net tax losses:

| Year | Amount      |
|------|-------------|
| 2014 | 160,959,474 |
| 2013 | 76,852,047  |
| 2012 | 62,150,189  |

**G. Federal or Foreign Federal Income Tax Loss Contingencies**

The Company has no loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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

- A,B,C. On June 30, 2014 PGAC of Ohio made a capital contribution of \$6,000,000 to The General Automobile Insurance Company, Inc., a wholly owned subsidiary of the company. On December 31, 2014 PGAC of Ohio paid a dividend of \$1,000,000 to its parent PGC Holdings Corporation.
- D. At December 31, 2014, the Company reported \$443,728 net payable to its parent and affiliates. The terms of the settlement requires these amounts are settled within 90 days.
- E. The Company has made no guarantees or undertakings for the benefit of the parent or affiliates.
- F. PGACOH has a service agreement in place with its affiliate Permanent General Companies, Inc (PGC), which is also a wholly owned subsidiary of PGC Holdings Corp. Under this agreement PGC performs administrative services on behalf of PGACOH. These services include; claims administration, underwriting, policy issuance and record keeping, legal services, data processing and accounting. Beginning in April 1997, the company began issuing policies through The General Automobile Insurance Services of Ohio (GAIS - OH) an Ohio corporation and affiliate of PGACOH (see Schedule Y for

## NOTES TO FINANCIAL STATEMENTS

organizational chart). GAIS - OH serves as a captive insurance agency for PGACOH and provides underwriting and customer services for all policies issued.

- G. All outstanding shares of the company are owned by the parent company, PGC Holdings Corp.
- H. No amounts have been deducted from the value of an upstream entity or ultimate parent owned either directly or indirectly.
- I. The Company owns a 100% interest in The General Automobile Insurance Company, Inc., whose carry value exceeds 10% of the admitted assets of The Company. The Company carries The General Automobile Insurance Company, Inc. at statutory equity. Based on the Company's ownership percentage of The General Automobile Insurance Company, Inc., the statement value of assets and liabilities as of 12/31/2014 were \$76,573,051 and \$51,032,383, respectively. The Company's share of the net loss of The General Automobile Insurance Company, Inc. as of 12/31/2014 was \$1,002,913.
- J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. None.
- L. None.

**11. Debt**

The company has no capital note obligations, FHLB agreements or other long-term debt.

**12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Post retirement Benefit Plans.**

None.

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

- (1) The company has 750 shares of \$10,000 par value common stock authorized of which 200 shares are issued and outstanding.
- (2) The company has no preferred stock issued.
- (3) The maximum amount of dividends which can be paid by an Ohio domiciled insurance company without prior approval of the insurance commissioner is subject to restrictions based upon statutory surplus.
- (4) The company payed a dividend of \$1,000,000 to it's parent PGC Holdings Corp. on December 31, 2014.
- (5) The portion of the Company's profits that may be paid as ordinary dividends to stockholders is limited by # (3) above. However, the maximum dividend payout which can be made in 2015 without prior approval is \$6,438,415.
- (6) There are no restrictions placed on the Unassigned Surplus.
- (7) The company has not made advances of surplus.
- (8) There is no stock held by PGACOH for special purposes.
- (9) There are no special surplus funds established on PGACOH.
- (10) Refer to Page 4 lines 21 through 39 and Exhibit of Capital Gain / (Losses).
- (11) The company has no surplus notes.
- (12) The company has not been reorganized.
- (13) N/A

**14. Liabilities, Contingencies and Assessments.**

- (A) The company has no contingent commitments to a SCA entity, joint ventures, partnerships, or limited liability companies.
- (B) There were no assessments made that could materially effect the presentation of the enclosed financials.
- (C) The company has no gain contingencies.
- (D) Claims related extra contractual obligations and bad faith losses stemming from lawsuits.

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

|   | <u>Direct</u> |
|---|---------------|
| Claim payments made during reporting period | \$0           |

Number of claims where amounts were paid to settle claims resulting from lawsuits during the reporting period.

| (A)  | (B)   | (C)    | (D)     | (E)                  |
|------|-------|--------|---------|----------------------|
| 0-25 | 26-50 | 51-100 | 101-500 | More than 500 Claims |
| X    |       |        |         |                      |

Indicate whether claim count information is disclosed per claim or claimant.

(F) Per Claim  (G) Per Claimant

- (E) The company has no warranty liabilities.
- (F) The company has no joint and several liabilities.
- (G) All Other Contingencies.

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

The Company routinely assesses the collectibility of premium and agent balances. The uncollectible amounts are not material to the Company's financial condition.

## NOTES TO FINANCIAL STATEMENTS

**15. Leases**

None.

**16. Information about Financial Instruments with Off-balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.**

None.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None.

**18. Gain or Loss to the Report Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans.**

None.

**19. Direct Premium Written/Produced by MGA/3rd Party Administration**

None.

**20. Fair Value Measurements.**

A. (1) The following summarizes the Company's financial assets carried at fair value as of December 31, 2014.

| <u>Description</u>     | <u>Level 1</u>     | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>       |
|------------------------|--------------------|----------------|----------------|--------------------|
| Assets at fair value   |                    |                |                |                    |
| Short-term investments | <u>\$1,576,450</u> | -              | -              | <u>\$1,576,450</u> |
| Total                  | <u>\$1,576,450</u> | =              | =              | <u>\$1,576,450</u> |

There were no material transfers between Levels 1 and 2 during 2014.

(2) The Company held no Level 3 assets carried at fair value as of December 31, 2014.

(3) There were no material transfers into or out of Level 3 during 2014.

(4) The Financial assets and financial liabilities recorded on the Balance Sheet at fair value are categorized based on the reliability of inputs to the valuation techniques as follows:

Level 1 Financial assets and financial liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company can access.

Level 2 Financial assets and financial liabilities whose values are based on the following:

Quoted prices for similar assets or liabilities in active markets;

Quoted Prices for identical or similar assets or liabilities in non-active markets; or

Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Financial assets and financial liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs may reflect the Company's estimates of the assumptions that market participants would use in valuing the financial assets and financial liabilities.

The availability of observable inputs varies by instrument. In situations where fair value is based on internally developed pricing models or inputs that are unobservable in the market, the determination of fair value requires more judgment. In many instances, inputs used to measure fair value fall into different levels of the fair value hierarchy. In those instances, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is categorized is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value guidance establishes a hierarchy for inputs used in determining fair value that maximize the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Fair value is a market-based measure considered from the perspective of a market participant who owns an asset or owes a liability. Accordingly, when market observable data is not readily available, the Company's own assumptions are set to reflect those that market participants would be presumed to use in pricing the asset at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or from Level 2 to Level 3.

When available, the Company uses the market approach to estimate the fair value of its financial instruments, which is based on quoted prices in active markets that are readily and regularly available. Generally, these are the most liquid of the Company's holdings and valuation of these securities does not involve management judgment. Matrix pricing and other similar techniques are other examples of the market approach.

When quoted prices in active markets are not available, the Company uses the income approach, or a combination of the market and income approaches, to estimate the fair value of its financial instruments. The income approach involves using discounted cash flow and other standard valuation methodologies. The inputs in applying these market standard valuation methodologies include, but are not limited to interest rates, benchmark yields, bid/ask spreads, dealer quotes, liquidity, term to maturity, estimated future cash flows, credit risk and default projections, collateral performance, deal and tranche attributes, and general market data.

The following valuation techniques and inputs were used to estimate the fair value of each class of significant financial instruments:

**Level 1 Measurements**

**Short-term Investments:** Comprised of actively traded money market funds that have daily quoted net asset values for identical assets that the Company can access.

## NOTES TO FINANCIAL STATEMENTS

The Company held no Level 2 or Level 3 securities carried at fair value as of December 31, 2014.

(5) Not Applicable.

B. Not applicable.

C. Valuation, Methods, and Assumptions.

(1) The following table summarizes the fair value of the Company's financial assets as of December 31, 2014.

| Financial Instrument   | Aggregate Fair Value | Admitted Assets | (Level 1)   | (Level 2)    | (Level 3) | Not Practicable (Carry Value) |
|------------------------|----------------------|-----------------|-------------|--------------|-----------|-------------------------------|
| Bonds                  | \$93,512,940         | \$90,553,162    | \$8,695,616 | \$84,817,324 | -         | -                             |
| Short-Term Investments | \$1,576,450          | \$1,576,450     | \$1,576,450 | -            | -         | -                             |

(2) The following valuation methods and assumptions were used to measure the fair values of each type of financial asset and liability:

Bonds: The fair value of Level 1 bonds, consisting of U.S. Treasury Notes, is determined using unadjusted quoted prices in an active market. The majority of the Company's Level 2 bonds are valued using the market and income approaches by leading, nationally recognized providers of market data and analytics. When available, recent trades of identical or similar assets are used to price these securities. However because many fixed income securities do not actively trade on a daily basis, pricing models are often used to determine security prices. The pricing models discount future cash flows at estimated market interest rates. These rates are derived by calculating the appropriate spreads over comparable U.S. Treasury securities based on credit quality, industry, and structure of the asset. Observable inputs used by the models include benchmark yields, bid/ask spreads, dealer quotes, liquidity, term to maturity, credit risk and default projections, collateral performance, deal and tranche attributes, and general market data. Inputs may vary depending on type of security.

Short-Term Investments: Valuation methods and assumptions for Level 1 money market funds are discussed in Note 20.A.4.

D. Not applicable.

### 21. Other Items.

A. Extraordinary Items

None.

B. Troubled Debt Restructuring. Debtors

None.

C. Other Disclosures

Assets in the amount of \$2,666,528 and \$2,698,586 at December 31, 2014 and December 31, 2013, respectively, were on deposit with government authorities or trustees as required by law.

D. Business Interruption Insurance Recoveries.

None.

E. State Transferable and Non-transferable Tax Credits.

None.

F. Subprime Mortgage Related Risk Exposure

(1) The Company defines our exposure to subprime mortgage related risk as any mortgage backed security that contains underlying mortgages designated as subprime. We reviewed all our residential mortgage backed pools and collateralized mortgage obligations for any such risk. Since our direct exposure through investments in subprime mortgage related risk is nil and our direct exposure through "other" investments is immaterial, we have not had the need to mitigate that risk exposure.

(2) Direct Exposure through investments in subprime mortgage loans.

Not applicable.

(3) Direct Exposure through other investments.

None

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

Not applicable.

G. Offsetting and Netting of Assets and Liabilities.

None.

### 22. Events Subsequent.

None.

### 23. Reinsurance

A. Unsecured Reinsurance Recoverable

None.

B. Reinsurance Recoverable in Dispute.

None.

C. Reinsurance Assumed and Ceded

## NOTES TO FINANCIAL STATEMENTS

|                      | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|----------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                      | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| a. Affiliates        | \$37,729,435        | \$15,246,465      | \$23,588,548      | \$8,423,470       | \$14,140,887    | \$6,822,995       |
| b. All Other         |                     |                   |                   |                   |                 |                   |
| c. Total             | \$37,729,435        | \$15,246,465      | \$23,588,548      | \$8,423,470       | \$14,140,887    | \$6,822,995       |
| d. Dir. UE Prem Res. | \$23,588,548        |                   |                   |                   |                 |                   |

- D. Uncollectible Reinsurance.  
None.
- E. Commutation of Ceded Reinsurance  
None.
- F. Retroactive Reinsurance  
None.
- G. Reinsurance Accounted for as a Deposit.  
None.
- H. Transfer of Property and Casualty Run-Off Agreements.  
None.
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation.  
None.

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination.**  
None.

**25. Change in Incurred Losses and Loss Adjustment Expenses**

Loss & lae reserves as of December 31, 2013 were \$34,289,000. As of December 31, 2014, \$27,916,000 has been paid for incurred loss & lae expenses attributable to insured events or prior years. Reserves remaining for prior years are now \$6,835,000 as a result of re-estimation of unpaid claims and lae expenses. Therefore, there has been a \$462,000 unfavorable prior year development from 12/31/2013 to 12/31/2014 principally on liability lines of business.

Reserves developed unfavorably during the fourth quarter of 2014 due to continuing case reserve strengthening as well as a speed up in early settlement of claims. Accident year ultimates increased for each of the most recent five years, but the development was lowest for the two most recent years. Recent trends continue to show increasing average case reserves while average paid losses countrywide are trending downward, but the gap between incurred based methods versus paid based methods continues to narrow. There is some evidence of liability claim frequency trending upward, but we also experienced favorable physical damage development due to increased salvage and subrogation recovery activities.

The development is generally the result of an ongoing analysis of recent loss development trends and are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies that are subject to premium adjustments.

**26. Intercompany Pooling Arrangements**

Effective January 1, 2010, the Company entered into a reinsurance pooling agreement with PGAC (NAIC company code - 37648) (lead entity) an affiliated property and casualty insurance company domiciled in Ohio and The General Automobile Insurance Company, Inc. (GAIC) (NAIC company code - 13703), a wholly owned subsidiary domiciled in Ohio. The business includes private passenger auto liability & auto physical damage with PGAC receiving 58%, PGAC-Ohio receiving 25%, & GAIC receiving 17%. This Agreement applies only to that portion of any insurance or reinsurance which the parties hereto retain net for their own account and in calculating the amount of any loss hereunder, only loss or losses in respect of that portion of any insurance or reinsurance which the parties hereto retain net for their own account shall be included. The Company has a net payable balance of \$13,997,304 at 12/31/2014.

**27. Structured Settlements**

None.

**28. Health Care Receivables**

None.

**29. Participating Policies**

None.

**30. Premium Deficiency Reserves**

|   |   |
|---|---|
| 1. Liability carried for premium deficiency reserves.             | \$0   |
| 2. Date of the most recent evaluation of this liability.          | 12/31/2014  |
| 3. Was anticipated investment income utilized in the calculation? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

**31. High Deductibles**

None.

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

None.

**33. Asbestos/Environmental Reserves**

None.

**34. Subscriber Savings Accounts**

None.

**35. Multi Peril Crop Insurance**

None.

## NOTES TO FINANCIAL STATEMENTS

36. **Financial Guaranty Insurance**  
None.

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [  ] No [  ]  
If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [  ] No [  ] N/A [  ]  
Ohio.....

1.3 State Regulating? Ohio.....

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [  ] No [  ]  
If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/28/2011

3.4 By what department or departments? Ohio Department of Insurance.....

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [  ] No [  ] N/A [  ]  
Yes [  ] No [  ] N/A [  ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [  ] No [  ] N/A [  ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of: 4.11 sales of new business? Yes [  ] No [  ]  
4.12 renewals? Yes [  ] No [  ]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of: 4.21 sales of new business? Yes [  ] No [  ]  
4.22 renewals? Yes [  ] No [  ]

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

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
| .....               | .....                  | .....                  |
| .....               | .....                  | .....                  |
| .....               | .....                  | .....                  |
| .....               | .....                  | .....                  |
| .....               | .....                  | .....                  |

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

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [  ] No [  ]  
7.2 If yes, 7.21 State the percentage of foreign control 0.0  
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

| 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
| .....            | .....               |
| .....            | .....               |
| .....            | .....               |
| .....            | .....               |
| .....            | .....               |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**GENERAL INTERROGATORIES**

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

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

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

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

| 1<br>Affiliate Name | 2<br>Location<br>(City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|--------------------------------|----------|----------|-----------|----------|
|                     |                                |          |          |           |          |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Pricewaterhouse Coopers, 830 Crescent Center Drive, Franklin, Tn. 37067.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [ X ]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [ X ]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ X ] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Jeff Kimble, ACAS, MAAA, Towers Watson, 101 South Hanley, Saint Louis, Mo.63105, Actuary/Consultant.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]  
12.11 Name of real estate holding company N/A.....  
12.12 Number of parcels involved 0.....  
12.13 Total book/adjusted carrying value \$ .....0

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

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

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

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

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

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

# ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio

## GENERAL INTERROGATORIES

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

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

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

### BOARD OF DIRECTORS

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

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

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): 20.11 To directors or other officers \$.....0  
20.12 To stockholders not officers \$.....0  
20.13 Trustees, supreme or grand (Fraternal only) \$.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 20.21 To directors or other officers \$.....0  
20.22 To stockholders not officers \$.....0  
20.23 Trustees, supreme or grand (Fraternal only) \$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]

21.2 If yes, state the amount thereof at December 31 of the current year: 21.21 Rented from others \$.....0  
21.22 Borrowed from others \$.....0  
21.23 Leased from others \$.....0  
21.24 Other \$.....0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]

22.2 If answer is yes: 22.21 Amount paid as losses or risk adjustment \$.....0  
22.22 Amount paid as expenses \$.....0  
22.23 Other amounts paid \$.....0

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....0

### INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]

24.02 If no, give full and complete information, relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
N/A.....

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] NA [ X ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....0

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] NA [ X ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ X ]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] NA [ X ]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

|  |          |
|--|----------|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2                   | \$.....0 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$.....0 |
| 24.103 Total payable for securities lending reported on the liability page                                       | \$.....0 |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**GENERAL INTERROGATORIES**

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

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

|   |                   |
|---|-------------------|
| 25.21 Subject to repurchase agreements  | \$ .....0         |
| 25.22 Subject to reverse repurchase agreements  | \$ .....0         |
| 25.23 Subject to dollar repurchase agreements   | \$ .....0         |
| 25.24 Subject to reverse dollar repurchase agreements                                 | \$ .....0         |
| 25.25 Placed under option agreements  | \$ .....0         |
| 25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock | \$ .....0         |
| 25.27 FHLB Capital Stock  | \$ .....0         |
| 25.28 On deposit with states  | \$ .....2,666,528 |
| 25.29 On deposit with other regulatory bodies   | \$ .....0         |
| 25.30 Pledged as collateral – excluding collateral pledged to an FHLB                 | \$ .....0         |
| 25.31 Pledged as collateral to FHLB – including assets backing funding agreements     | \$ .....0         |
| 25.32 Other   | \$ .....0         |

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
| .....                      | .....            | .....       |
| .....                      | .....            | .....       |
| .....                      | .....            | .....       |
| .....                      | .....            | .....       |

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

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

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

27.2 If yes, state the amount thereof at December 31 of the current year. \$ .....0

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

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

| 1<br>Name of Custodian(s) | 2<br>Custodian's Address                         |
|---------------------------|--|
| U.S. Bank.....            | 777 E. Wisconsin Ave., Milwaukee, Wi. 53202..... |

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

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
| .....        | .....            | .....                        |
| .....        | .....            | .....                        |
| .....        | .....            | .....                        |

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

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
| .....              | .....              | .....               | .....       |
| .....              | .....              | .....               | .....       |
| .....              | .....              | .....               | .....       |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**GENERAL INTERROGATORIES**

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

| 1<br>Central Registration Depository Number(s) | 2<br>Name                      | 3<br>Address                            |
|--|--------------------------------|---|
| 38642.....                                     | Blackrock Investments Inc..... | 40 East 52nd Street, New York, N.Y..... |

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

29.2 If yes, complete the following schedule:

| 1<br>CUSIP #  | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted Carrying Value |
|---------------|--------------------------|-----------------------------------|
| .....         | .....                    | .....                             |
| .....         | .....                    | .....                             |
| .....         | .....                    | .....                             |
| 29.2999 TOTAL |                          | 0                                 |

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

| 1<br>Name of Mutual Fund<br>(from above table) | 2<br>Name of Significant Holding<br>of the Mutual Fund | 3<br>Amount of Mutual Fund's<br>Book/Adjusted Carrying Value<br>Attributable to the Holding | 4<br>Date of Valuation |
|--|--|---|------------------------|
| .....  | .....  | .....   | .....                  |
| .....  | .....  | .....   | .....                  |
| .....  | .....  | .....   | .....                  |
| .....  | .....  | .....   | .....                  |

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

|                            | 1<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-),<br>or Fair Value<br>over Statement (+) |
|----------------------------|------------------------------------|-----------------|---|
| 30.1 Bonds.....            | 92,129,612                         | 95,089,390      | 2,959,778   |
| 30.2 Preferred Stocks..... | 0                                  | 0               | 0   |
| 30.3 Totals                | 92,129,612                         | 95,089,390      | 2,959,778   |

30.4 Describe the sources or methods utilized in determining the fair values:

The NAIC - Securities Valuation Office, if available. Bonds not priced by the Securities Valuation Office are valued by HUB Pricing Services or U.S. Bank. Bonds not priced by HUB Pricing Service are valued based on market comparables, internal analysis, or using an external pricing source.....

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

Yes [ ] No [ X ]

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

Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

Yes [ X ] No [ ]

32.2 If no, list exceptions:

## GENERAL INTERROGATORIES

## OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ ..... 101,840

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1<br>Name                      | 2<br>Amount Paid |
|--------------------------------|------------------|
| Insurance Services Office..... | \$.....101,840   |

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

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
| .....     | \$.....          |
| .....     | \$.....          |
| .....     | \$.....          |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ ..... 29,581

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

| 1<br>Name                             | 2<br>Amount Paid |
|---------------------------------------|------------------|
| Independent Statistical Services..... | \$.....29,581    |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]

1.2 If yes, indicate premium earned on U. S. business only. ..... \$ ..... 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ ..... 0

1.31 Reason for excluding  
N/A.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ..... \$ ..... 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. ..... \$ ..... 0

1.6 Individual policies:  
Most current three years:  
1.61 Total premium earned ..... \$ ..... 0  
1.62 Total incurred claims ..... \$ ..... 0  
1.63 Number of covered lives ..... 0  
All years prior to most current three years:  
1.64 Total premium earned ..... \$ ..... 0  
1.65 Total incurred claims ..... \$ ..... 0  
1.66 Number of covered lives ..... 0

1.7 Group policies:  
Most current three years:  
1.71 Total premium earned ..... \$ ..... 0  
1.72 Total incurred claims ..... \$ ..... 0  
1.73 Number of covered lives ..... 0  
All years prior to most current three years:  
1.74 Total premium earned ..... \$ ..... 0  
1.75 Total incurred claims ..... \$ ..... 0  
1.76 Number of covered lives ..... 0

2. Health Test:

|     |                         | 1<br>Current Year   | 2<br>Prior Year      |
|-----|-------------------------|---------------------|----------------------|
| 2.1 | Premium Numerator       | \$ ..... 0          | \$ ..... 0           |
| 2.2 | Premium Denominator     | \$ ..... 79,799,000 | \$ ..... 100,994,564 |
| 2.3 | Premium Ratio (2.1/2.2) | .....0.000          | .....0.000           |
| 2.4 | Reserve Numerator       | \$ ..... 0          | \$ ..... 0           |
| 2.5 | Reserve Denominator     | \$ ..... 64,843,851 | \$ ..... 74,993,995  |
| 2.6 | Reserve Ratio (2.4/2.5) | .....0.000          | .....0.000           |

3.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes [ ] No [ X ]

3.2 If yes, state the amount of calendar year premiums written on:  
3.21 Participating policies ..... \$ ..... 0  
3.22 Non-participating policies ..... \$ ..... 0

4. For Mutual reporting entities and Reciprocal Exchanges only:  
4.1 Does the reporting entity issue assessable policies? ..... Yes [ ] No [ ]  
4.2 Does the reporting entity issue non-assessable policies? ..... Yes [ ] No [ ]  
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ..... 0.0 %  
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ..... \$ ..... 0

5. For Reciprocal Exchanges Only:  
5.1 Does the exchange appoint local agents? ..... Yes [ ] No [ ]  
5.2 If yes, is the commission paid:  
5.21 Out of Attorney's-in-fact compensation ..... Yes [ ] No [ ] N/A [X]  
5.22 As a direct expense of the exchange ..... Yes [ ] No [ ] N/A [X]  
5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ ]  
5.5 If yes, give full information

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss: .....  
 N/A.....

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: .....  
 N/A.....

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? .....  
 N/A.....

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? .....  
 Yes [ ] No [ X ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss  
 The company does a break-even analysis annually and historically has found it to be more cost effective to be self insured....

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? .....  
 Yes [ ] No [ X ]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? .....  
 Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? .....  
 Yes [ ] No [ X ]

8.2 If yes, give full information.....

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.....  
 Yes [ ] No [ X ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.....  
 Yes [ ] No [ X ]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.....  
 Yes [ ] No [ X ]

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?.....  
 Yes [ ] No [ X ]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.....

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.....  
 Yes [ ] No [ X ]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?.....  
 Yes [X] No [ ] N/A [ ]

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force:..... Yes [ ] No [ X ]  
 11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:  
 12.11 Unpaid losses..... \$ ..... 0  
 12.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$ ..... 0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds..... \$ ..... 0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?..... Yes [ ] No [ ] N/A [X]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
 12.41 From..... 0.0 %  
 12.42 To..... 0.0 %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [ ] No [ X ]

12.6 If yes, state the amount thereof at December 31 of current year:  
 12.61 Letters of Credit..... \$ ..... 0  
 12.62 Collateral and other funds..... \$ ..... 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$ ..... 700,000  
 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?..... Yes [ ] No [ X ]  
 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount..... 0

14.1 Is the company a cedant in a multiple cedant reinsurance contract?..... Yes [ X ] No [ ]  
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 All allocated based on each companies applicable percentage of the respective premium and loss amounts.....

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [ X ] No [ ]  
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?..... Yes [ ] No [ ]  
 14.5 If the answer to 14.4 is no, please explain:.....

15.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [ ] No [ X ]  
 15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business?..... Yes [ ] No [ X ]

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

|                  | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home       | \$ ..... 0                     | \$ ..... 0                   | \$ ..... 0                     | \$ ..... 0                      | \$ ..... 0                    |
| 16.12 Products   | \$ ..... 0                     | \$ ..... 0                   | \$ ..... 0                     | \$ ..... 0                      | \$ ..... 0                    |
| 16.13 Automobile | \$ ..... 0                     | \$ ..... 0                   | \$ ..... 0                     | \$ ..... 0                      | \$ ..... 0                    |
| 16.14 Other*     | \$ ..... 0                     | \$ ..... 0                   | \$ ..... 0                     | \$ ..... 0                      | \$ ..... 0                    |

\* Disclose type of coverage:

N/A

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio****GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

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

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

|       |  |         |   |
|-------|--|---------|---|
|       | Gross amount of unauthorized reinsurance in Schedule F – Part 3              | \$..... | 0 |
| 17.11 | excluded from Schedule F – Part 5.....                                       | \$..... | 0 |
| 17.12 | Unfunded portion of Interrogatory 17.11.....                                 | \$..... | 0 |
| 17.13 | Paid losses and loss adjustment expenses portion of Interrogatory 17.11..... | \$..... | 0 |
| 17.14 | Case reserves portion of Interrogatory 17.11.....                            | \$..... | 0 |
| 17.15 | Incurred but not reported portion of Interrogatory 17.11.....                | \$..... | 0 |
| 17.16 | Unearned premium portion of Interrogatory 17.11.....                         | \$..... | 0 |
| 17.17 | Contingent commission portion of Interrogatory 17.11.....                    | \$..... | 0 |

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

|       |  |         |   |
|-------|--|---------|---|
|       | Gross amount of unauthorized reinsurance in Schedule F – Part 3              | \$..... | 0 |
| 17.18 | excluded from Schedule F – Part 5.....                                       | \$..... | 0 |
| 17.19 | Unfunded portion of Interrogatory 17.18.....                                 | \$..... | 0 |
| 17.20 | Paid losses and loss adjustment expenses portion of Interrogatory 17.18..... | \$..... | 0 |
| 17.21 | Case reserves portion of Interrogatory 17.18.....                            | \$..... | 0 |
| 17.22 | Incurred but not reported portion of Interrogatory 17.18.....                | \$..... | 0 |
| 17.23 | Unearned premium portion of Interrogatory 17.18.....                         | \$..... | 0 |
| 17.24 | Contingent commission portion of Interrogatory 17.18.....                    | \$..... | 0 |

18.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [ X ]  
18.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$.....  
18.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [ X ]  
18.4 If yes, please provide the balance of the funds administered as of the reporting date. .... \$.....

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

|   | 1<br>2014   | 2<br>2013   | 3<br>2012   | 4<br>2011    | 5<br>2010   |
|---|-------------|-------------|-------------|--------------|-------------|
| <b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)   |             |             |             |              |             |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....  | 108,048,356 | 128,780,511 | 121,464,176 | 129,139,523  | 127,460,449 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  | 32,824,000  | 40,170,795  | 37,779,509  | 40,502,236   | 42,325,458  |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....  | 0           | 0           | 0           | 0            | 0           |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....   | 0           | 0           | 0           | 0            | 0           |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....  | 0           | 0           | 0           | 0            | 0           |
| 6. Total (Line 35) .....  | 140,872,356 | 168,951,306 | 159,243,685 | 169,641,759  | 169,785,907 |
| <b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)   |             |             |             |              |             |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....  | 60,945,985  | 77,240,787  | 68,840,477  | 70,912,556   | 71,720,016  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  | 19,347,769  | 24,705,149  | 21,597,644  | 21,509,351   | 22,741,154  |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....  | 0           | 0           | 0           | 0            | 0           |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....  | 0           | 0           | 0           | 0            | 0           |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....   | 0           | 0           | 0           | 0            | 0           |
| 12. Total (Line 35) .....   | 80,293,754  | 101,945,936 | 90,438,121  | 92,421,907   | 94,461,170  |
| <b>Statement of Income</b> (Page 4)   |             |             |             |              |             |
| 13. Net underwriting gain (loss) (Line 8) .....   | (6,330,388) | (6,867,758) | (8,375,035) | (13,617,318) | (7,715,755) |
| 14. Net investment gain (loss) (Line 11) .....  | 2,574,120   | 2,530,047   | 2,771,710   | 2,154,116    | 2,343,458   |
| 15. Total other income (Line 15) .....  | 5,909,454   | 7,514,502   | 7,902,839   | 8,439,985    | 8,271,248   |
| 16. Dividends to policyholders (Line 17) .....  | 0           | 0           | 0           | 0            | 0           |
| 17. Federal and foreign income taxes incurred (Line 19) .....   | 531,079     | 956,990     | (853,016)   | (211,148)    | 1,228,441   |
| 18. Net income (Line 20) .....  | 1,622,107   | 2,219,801   | 3,152,530   | (2,812,069)  | 1,670,510   |
| <b>Balance Sheet Lines</b> (Pages 2 and 3)  |             |             |             |              |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) .....   | 145,579,021 | 143,887,188 | 128,420,950 | 123,313,804  | 117,727,981 |
| 20. Premiums and considerations (Page 2, Col. 3)  |             |             |             |              |             |
| 20.1 In course of collection (Line 15.1) .....  | 2,895,633   | 2,561,453   | 2,610,752   | 3,167,101    | 3,597,932   |
| 20.2 Deferred and not yet due (Line 15.2) .....   | 18,335,382  | 21,224,666  | 25,835,444  | 28,129,851   | 28,852,534  |
| 20.3 Accrued retrospective premiums (Line 15.3) .....   | 0           | 0           | 0           | 0            | 0           |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26) .....   | 81,194,867  | 80,693,846  | 75,299,400  | 73,475,390   | 65,235,604  |
| 22. Losses (Page 3, Line 1) .....   | 23,334,374  | 29,663,430  | 25,487,537  | 24,290,834   | 20,436,118  |
| 23. Loss adjustment expenses (Page 3, Line 3) .....   | 3,780,042   | 4,626,011   | 5,490,922   | 5,901,242    | 3,705,024   |
| 24. Unearned premiums (Page 3, Line 9) .....  | 37,729,435  | 37,234,681  | 36,283,309  | 35,998,133   | 36,801,946  |
| 25. Capital paid up (Page 3, Lines 30 & 31) .....   | 2,000,000   | 2,000,000   | 2,000,000   | 2,000,000    | 2,000,000   |
| 26. Surplus as regards policyholders (Page 3, Line 37) .....  | 64,384,154  | 63,193,342  | 53,121,550  | 49,838,414   | 52,492,377  |
| <b>Cash Flow</b> (Page 5)   |             |             |             |              |             |
| 27. Net cash from operations (Line 11) .....  | 8,397,377   | 11,978,474  | 9,671,878   | 4,329,347    | 12,222,613  |
| <b>Risk-Based Capital Analysis</b>  |             |             |             |              |             |
| 28. Total adjusted capital .....  | 64,384,154  | 63,193,342  | 53,121,550  | 49,838,414   | 52,492,377  |
| 29. Authorized control level risk-based capital .....   | 15,669,853  | 13,126,533  | 13,000,520  | 9,908,202    | 9,996,252   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>  |             |             |             |              |             |
| (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0   |             |             |             |              |             |
| 30. Bonds (Line 1) .....  | 76.9        | 76.8        | 81.1        | 79.7         | 81.4        |
| 31. Stocks (Lines 2.1 & 2.2) .....  | 21.7        | 16.5        | 11.4        | 11.5         | 12.8        |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2) .....   | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 33. Real estate (Lines 4.1, 4.2 & 4.3) .....  | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 34. Cash, cash equivalents and short-term investments (Line 5) .....  | 1.3         | 6.7         | 7.4         | 8.9          | 5.9         |
| 35. Contract loans (Line 6) .....   | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 36. Derivatives (Line 7) .....  | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 37. Other invested assets (Line 8) .....  | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 38. Receivables for securities (Line 9) .....   | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 39. Securities lending reinvested collateral assets (Line 10) .....   | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 40. Aggregate write-ins for invested assets (Line 11) .....   | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         |
| 41. Cash, cash equivalents and invested assets (Line 12) .....  | 100.0       | 100.0       | 100.0       | 100.0        | 100.0       |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>   |             |             |             |              |             |
| 42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1) .....  | 0           | 0           | 0           | 0            | 0           |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1) .....  | 0           | 0           | 0           | 0            | 0           |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1) .....   | 25,540,668  | 19,037,014  | 10,437,768  | 9,901,806    | 10,315,987  |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10) .....   | 0           | 0           | 0           | 0            | 0           |
| 46. Affiliated mortgage loans on real estate .....  |             |             |             |              |             |
| 47. All other affiliated .....  |             |             |             |              |             |
| 48. Total of above Lines 42 to 47 .....   | 25,540,668  | 19,037,014  | 10,437,768  | 9,901,806    | 10,315,987  |
| 49. Total Investment in parent included in Lines 42 to 47 above .....   |             |             |             |              |             |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0) ..... | 39.7        | 30.1        | 19.6        | 19.9         | 19.7        |

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**FIVE-YEAR HISTORICAL DATA**

**(Continued)**

|  | 1<br>2014   | 2<br>2013   | 3<br>2012   | 4<br>2011   | 5<br>2010   |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Capital and Surplus Accounts (Page 4)</b>   |             |             |             |             |             |
| 51. Net unrealized capital gains (losses) (Line 24) .....  | 503,654     | 636,520     | 578,515     | (515,867)   | 964,954     |
| 52. Dividends to stockholders (Line 35) .....  | (1,000,000) | (1,000,000) | 0           | 0           | (1,000,000) |
| 53. Change in surplus as regards policyholders for the year (Line 38) .....  | 1,190,812   | 10,071,792  | 3,283,136   | (2,653,963) | 12,565,651  |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>   |             |             |             |             |             |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....  | 76,839,856  | 82,169,673  | 78,792,480  | 82,602,779  | 72,618,458  |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  | 17,227,628  | 24,028,499  | 21,620,744  | 25,790,833  | 23,503,771  |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....  | 0           | 0           | 0           | 0           | 0           |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....   | 0           | 0           | 0           | 0           | 0           |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....  | 0           | 0           | 0           | 0           | 0           |
| 59. Total (Line 35) .....  | 94,067,484  | 106,198,172 | 100,413,224 | 108,393,612 | 96,122,229  |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>  |             |             |             |             |             |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....  | 42,610,698  | 44,859,891  | 42,040,312  | 43,433,640  | 35,764,407  |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  | 10,216,446  | 14,268,207  | 11,517,886  | 13,081,314  | 11,065,470  |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....  | 0           | 0           | 0           | 0           | 0           |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....   | 0           | 0           | 0           | 0           | 0           |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....  | 0           | 0           | 0           | 0           | 0           |
| 65. Total (Line 35) .....  | 52,827,144  | 59,128,098  | 53,558,198  | 56,514,954  | 46,829,877  |
| <b>Operating Percentages (Page 4)</b><br>(Item divided by Page 4, Line 1) x 100.0  |             |             |             |             |             |
| 66. Premiums earned (Line 1) .....   | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       |
| 67. Losses incurred (Line 2) .....   | 58.3        | 62.7        | 60.7        | 64.8        | 61.8        |
| 68. Loss expenses incurred (Line 3) .....  | 9.0         | 8.0         | 9.4         | 12.0        | 9.1         |
| 69. Other underwriting expenses incurred (Line 4) .....  | 40.6        | 36.1        | 39.1        | 37.9        | 38.1        |
| 70. Net underwriting gain (loss) (Line 8) .....  | (7.9)       | (6.8)       | (9.3)       | (14.6)      | (8.9)       |
| <b>Other Percentages</b>   |             |             |             |             |             |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....   | 33.0        | 28.4        | 30.3        | 29.1        | 26.1        |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....   | 67.3        | 70.7        | 70.2        | 76.7        | 70.9        |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....   | 124.7       | 161.3       | 170.2       | 185.4       | 180.0       |
| <b>One Year Loss Development (000 omitted)</b>   |             |             |             |             |             |
| 74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) .....  | 462         | 998         | 736         | 2,798       | 1,899       |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0) .....                 | 0.7         | 1.9         | 1.5         | 5.3         | 4.8         |
| <b>Two Year Loss Development (000 omitted)</b>   |             |             |             |             |             |
| 76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....                         | 1,383       | 1,281       | 4,090       | 2,500       | 706         |
| 77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) ..... | 2.6         | 2.6         | 7.8         | 6.3         | 1.8         |

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

Yes  No

If no, please explain

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

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

(\$000 Omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            |  |  | 12<br>Number of Claims Reported Direct and Assumed |  |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |  |
| 1. Prior   | XXX                     | XXX        | XXX                    | (31)                           | (6)        | 0                                     | 0          | 0                            | 0          | 29                                     | (25)   | XXX  |  |
| 2. 2005  | 49,767                  | 2,982      | 46,785                 | 27,908                         | 1,737      | 939                                   | 54         | 2,797                        | 172        | 2,160                                  | 29,680   | XXX  |  |
| 3. 2006  | 50,031                  | 240        | 49,791                 | 30,626                         | 209        | 745                                   | 4          | 3,324                        | 1          | 2,080                                  | 34,481   | XXX  |  |
| 4. 2007  | 54,125                  | 169        | 53,956                 | 34,094                         | 221        | 988                                   | 7          | 3,326                        | 0          | 2,382                                  | 38,180   | XXX  |  |
| 5. 2008  | 54,478                  | 163        | 54,315                 | 33,339                         | 97         | 919                                   | 4          | 2,754                        | 0          | 2,055                                  | 36,910   | XXX  |  |
| 6. 2009  | 54,651                  | 57         | 54,593                 | 34,236                         | 64         | 1,228                                 | 7          | 3,991                        | 0          | 1,887                                  | 39,383   | XXX  |  |
| 7. 2010  | 65,436                  | 0          | 65,436                 | 40,899                         | 0          | 1,954                                 | 0          | 4,777                        | 0          | 2,077                                  | 47,631   | XXX  |  |
| 8. 2011  | 70,626                  | 0          | 70,626                 | 44,184                         | 0          | 1,581                                 | 0          | 5,486                        | 0          | 2,304                                  | 51,250   | XXX  |  |
| 9. 2012  | 68,589                  | 291        | 68,298                 | 40,486                         | 82         | 858                                   | 2          | 5,150                        | 0          | 1,890                                  | 46,410   | XXX  |  |
| 10. 2013   | 76,619                  | 108        | 76,511                 | 42,774                         | 100        | 512                                   | 0          | 5,422                        | 0          | 2,309                                  | 48,609   | XXX  |  |
| 11. 2014   | 79,865                  | 66         | 79,799                 | 28,273                         | 17         | 172                                   | 0          | 4,474                        | 0          | 1,302                                  | 32,902   | XXX  |  |
| 12. Totals   | XXX                     | XXX        | XXX                    | 356,788                        | 2,521      | 9,895                                 | 79         | 41,501                       | 173        | 20,474                                 | 405,411  | XXX  |  |

|     | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |       | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |     |
|-----|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------|---|--|---|-----|
|     | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21                         | 22    |   |  |   |     |
|     | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded | Direct and Assumed         | Ceded |   |  |   |     |
| 1.  | 1                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0     | 0   | 0  | 1   | XXX |
| 2.  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0     | 0   | 4  | 0   | XXX |
| 3.  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0     | 0   | 15   | 0   | XXX |
| 4.  | 14                       | 0           | (10)                     | 0           | 0                                   | 0           | 0                        | 1           | 0                          | 0     | 0   | 27   | 5   | XXX |
| 5.  | 1                        | 0           | (21)                     | 0           | 0                                   | 0           | 0                        | 4           | 0                          | 2     | 0   | 32   | (14)  | XXX |
| 6.  | 21                       | 0           | (40)                     | 0           | 0                                   | 0           | 0                        | 22          | 0                          | 2     | 0   | 43   | 5   | XXX |
| 7.  | 156                      | 0           | (71)                     | 0           | 0                                   | 0           | 0                        | 99          | 0                          | 8     | 0   | 69   | 192   | XXX |
| 8.  | .444                     | 0           | (48)                     | 0           | 0                                   | 0           | 0                        | 221         | 0                          | 21    | 0   | 103  | 638   | XXX |
| 9.  | 1,032                    | .19         | 4                        | .32         | 0                                   | 0           | 0                        | 325         | 0                          | 52    | 0   | 120  | 1,363   | XXX |
| 10. | 4,142                    | 118         | (155)                    | 25          | 0                                   | 0           | 0                        | 590         | 0                          | 211   | 0   | 213  | 4,646   | XXX |
| 11. | 13,993                   | 20          | 4,113                    | 29          | 0                                   | 0           | 0                        | 939         | 0                          | 1,283 | 0   | 1,044                                      | 20,279  | XXX |
| 12. | 19,805                   | 156         | 3,772                    | 86          | 0                                   | 0           | 0                        | 2,201       | 0                          | 1,579 | 0   | 1,670                                      | 27,114  | XXX |

|     | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |               | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|-----|---|-------------|-----------|---|-------------|-----------|---------------------|---------------|--|---|----------------------------|
|     | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|     |   |             |           |   |             |           |                     |               |  |   |                            |
| 1.  | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0             | XXX  | .1  | 0                          |
| 2.  | 31,644                                  | 1,963       | 29,680    | .63.6   | .65.8       | .63.4     | 0                   | 0             | 25.0   | 0   | 0                          |
| 3.  | 34,695                                  | 214         | 34,481    | .69.3   | .89.2       | .69.3     | 0                   | 0             | 25.0   | 0   | 0                          |
| 4.  | 38,412                                  | 227         | 38,185    | .71.0   | .134.6      | .70.8     | 0                   | 0             | 25.0   | .4  | 1                          |
| 5.  | 36,998                                  | 102         | 36,896    | .67.9   | .62.3       | .67.9     | 0                   | 0             | 25.0   | (20)                                      | 6                          |
| 6.  | 39,459                                  | 72          | 39,388    | .72.2   | .125.1      | .72.1     | 0                   | 0             | 25.0   | (19)                                      | 24                         |
| 7.  | 47,822                                  | 0           | 47,822    | .73.1   | 0.0         | .73.1     | 0                   | 0             | 25.0   | .85                                       | 107                        |
| 8.  | .51,888                                 | 0           | .51,888   | .73.5   | 0.0         | .73.5     | 0                   | 0             | 25.0   | .396                                      | .242                       |
| 9.  | 47,908                                  | .135        | 47,773    | .69.8   | .46.2       | .69.9     | 0                   | 0             | 25.0   | .986                                      | .377                       |
| 10. | 53,497                                  | 242         | 53,255    | .69.8   | .225.0      | .69.6     | 0                   | 0             | 25.0   | .3,845                                    | .801                       |
| 11. | 53,247                                  | 66          | 53,181    | .66.7   | .98.8       | .66.6     | 0                   | 0             | 25.0   | 18,057                                    | 2,222                      |
| 12. | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0             | XXX  | 23,334                                    | 3,780                      |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio**

**SCHEDULE P - PART 2 - SUMMARY**

| Years in Which Losses Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | DEVELOPMENT    |                |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|----------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 | 11<br>One Year | 12<br>Two Year |
| 1. Prior                            | 5,955  | 5,295     | 5,242     | 5,172     | 5,153     | 5,183     | 5,155     | 5,129     | 5,115     | 5,091      | (25)           | (39)           |
| 2. 2005                             | 28,289   | 27,356    | 27,053    | 27,074    | 27,077    | 27,089    | 27,066    | 27,071    | 27,067    | 27,055     | (11)           | (16)           |
| 3. 2006                             | XXX  | 31,660    | 31,312    | 31,024    | 31,114    | 31,123    | 31,155    | 31,165    | 31,154    | 31,158     | .4             | (7)            |
| 4. 2007                             | XXX  | XXX       | 34,408    | 34,445    | 34,473    | 34,613    | 34,724    | 34,824    | 34,847    | 34,860     | 13             | 36             |
| 5. 2008                             | XXX  | XXX       | XXX       | 33,703    | 33,682    | 33,946    | 34,042    | 34,097    | 34,128    | 34,140     | 11             | 43             |
| 6. 2009                             | XXX  | XXX       | XXX       | XXX       | 33,719    | 34,704    | 34,970    | 35,208    | 35,251    | 35,395     | 144            | 187            |
| 7. 2010                             | XXX  | XXX       | XXX       | XXX       | XXX       | 40,389    | 42,053    | 42,651    | 42,851    | 43,037     | 186            | 385            |
| 8. 2011                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 46,470    | 46,049    | 46,194    | 46,382     | 188            | 333            |
| 9. 2012                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 42,112    | 42,455    | 42,571    | 42,571     | 116            | 459            |
| 10. 2013                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 47,786    | 47,621    | (165)      | XXX            | XXX            |
| 11. 2014                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 47,423    | XXX        | XXX            | XXX            |
|                                     |  |           |           |           |           |           |           |           |           | 12. Totals | 462            | 1,383          |

**SCHEDULE P - PART 3 - SUMMARY**

| Years in Which Losses Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---|--|
|                                     | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |   |  |
| 1. Prior                            | 000   | 4,122     | 4,859     | 5,083     | 5,132     | 5,174     | 5,154     | 5,128     | 5,115     | 5,090      | XXX   | XXX  |
| 2. 2005                             | 17,748  | 24,876    | 26,425    | 26,923    | 27,056    | 27,083    | 27,076    | 27,076    | 27,067    | 27,055     | XXX   | XXX  |
| 3. 2006                             | XXX   | 20,640    | 28,694    | 30,407    | 30,975    | 31,106    | 31,140    | 31,162    | 31,154    | 31,158     | XXX   | XXX  |
| 4. 2007                             | XXX   | XXX       | 22,162    | 32,006    | 33,851    | 34,443    | 34,688    | 34,754    | 34,844    | 34,854     | XXX   | XXX  |
| 5. 2008                             | XXX   | XXX       | XXX       | 22,659    | 31,641    | 33,451    | 33,944    | 34,082    | 34,136    | 34,156     | XXX   | XXX  |
| 6. 2009                             | XXX   | XXX       | XXX       | XXX       | 22,314    | 32,444    | 34,256    | 34,909    | 35,203    | 35,392     | XXX   | XXX  |
| 7. 2010                             | XXX   | XXX       | XXX       | XXX       | XXX       | 26,012    | 38,510    | 41,396    | 42,404    | 42,853     | XXX   | XXX  |
| 8. 2011                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 29,157    | 41,598    | 44,680    | 45,764     | XXX   | XXX  |
| 9. 2012                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 26,022    | 38,548    | 41,260     | XXX   | XXX  |
| 10. 2013                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 29,154    | 43,187    | XXX        | XXX   | XXX  |
| 11. 2014                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 28,428    | XXX        | XXX   | XXX  |

**SCHEDULE P - PART 4 - SUMMARY**

| Years in Which Losses Were Incurred | BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 10<br>2014 |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
|                                     | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |            |
| 1. Prior                            | 1,315   | 351       | 49        | 5         | .0        | 0         | 0         | 0         | 0         | 0          | 0          |
| 2. 2005                             | 3,281   | 772       | 119       | (2)       | (18)      | 0         | (15)      | (6)       | 0         | 0          | 0          |
| 3. 2006                             | XXX   | 3,110     | .591      | 18        | (55)      | (51)      | (34)      | (13)      | (8)       | 0          | 0          |
| 4. 2007                             | XXX   | XXX       | 3,131     | 396       | (5)       | (69)      | (57)      | (30)      | (18)      | (9)        | 0          |
| 5. 2008                             | XXX   | XXX       | XXX       | 2,764     | 183       | .44       | (37)      | (25)      | (30)      | (17)       | 0          |
| 6. 2009                             | XXX   | XXX       | XXX       | XXX       | 2,874     | 384       | .74       | .49       | (6)       | (18)       | 0          |
| 7. 2010                             | XXX   | XXX       | XXX       | XXX       | XXX       | 4,058     | 890       | 356       | .49       | 28         | 0          |
| 8. 2011                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 6,155     | 1,319     | .353      | 173        | 0          |
| 9. 2012                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 5,009     | .790      | 298        | 0          |
| 10. 2013                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 4,845     | 410        | 0          |
| 11. 2014                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 5,023      | 0          |

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

## Allocated By States And Territories

| States, etc.                 | Active Status | 1                         | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken | 4  | 5                                      | 6                      | 7                    | 8  | 9   |
|------------------------------|---------------|---------------------------|--|--|--|------------------------|----------------------|--|---|
|                              |               | 2 Direct Premiums Written | 3 Direct Premiums Earned   | Dividends Paid or Credited to Policyholders on Direct Business | Direct Losses Paid (Deducting Salvage) | Direct Losses Incurred | Direct Losses Unpaid | Finance and Service Charges Not Included in Premiums | Direct Premium Written for Federal Purchasing Groups (Included in Col. 2) |
| 1. Alabama                   | AL            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 2. Alaska                    | AK            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 3. Arizona                   | AZ            | L                         | 1,932,743  | 2,470,551  | 0                                      | 2,114,237              | 1,986,040            | 998,431  | 284,312   |
| 4. Arkansas                  | AR            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 5. California                | CA            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 6. Colorado                  | CO            | L                         | 4,694,670  | 5,419,436  | 0                                      | 3,242,165              | 3,443,555            | 2,203,581  | 573,624   |
| 7. Connecticut               | CT            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 8. Delaware                  | DE            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 9. Dist. Columbia            | DC            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 10. Florida                  | FL            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 11. Georgia                  | GA            | L                         | 8,557,911  | 9,441,738  | 0                                      | 7,722,806              | 6,714,603            | 3,731,643  | 776,994   |
| 12. Hawaii                   | HI            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 13. Idaho                    | ID            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 14. Illinois                 | IL            | L                         | 2,378,484  | 2,180,462  | 0                                      | 1,237,020              | 1,269,211            | 606,883  | 235,732   |
| 15. Indiana                  | IN            | L                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 16. Iowa                     | IA            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 17. Kansas                   | KS            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 18. Kentucky                 | KY            | L                         | 172,725  | 140,667  | 0                                      | 85,214                 | 64,984               | 14,440   | 6,180   |
| 19. Louisiana                | LA            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 20. Maine                    | ME            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 21. Maryland                 | MD            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 22. Massachusetts            | MA            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 23. Michigan                 | MI            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 24. Minnesota                | MN            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 25. Mississippi              | MS            | L                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 26. Missouri                 | MO            | L                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 27. Montana                  | MT            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 28. Nebraska                 | NE            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 29. Nevada                   | NV            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 30. New Hampshire            | NH            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 31. New Jersey               | NJ            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 32. New Mexico               | NM            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 33. New York                 | NY            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 34. No. Carolina             | NC            | L                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 35. No. Dakota               | ND            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 36. Ohio                     | OH            | L                         | 6,094,387  | 6,227,363  | 0                                      | 4,090,735              | 3,736,783            | 2,058,700  | 1,141,998   |
| 37. Oklahoma                 | OK            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 38. Oregon                   | OR            | L                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 39. Pennsylvania             | PA            | L                         | 874,850  | 515,982  | 0                                      | 274,153                | 499,697              | 225,544  | 8,262   |
| 40. Rhode Island             | RI            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 41. So. Carolina             | SC            | L                         | 10,349,848   | 8,757,068  | 0                                      | 5,659,046              | 6,675,883            | 3,697,822  | 1,123,836   |
| 42. So. Dakota               | SD            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 43. Tennessee                | TN            | L                         | 4,912,459  | 6,066,829  | 0                                      | 4,263,081              | 2,196,228            | 1,448,667  | 416,865   |
| 44. Texas                    | TX            | L                         | 14,595,753   | 13,079,054   | 0                                      | 7,306,182              | 7,502,717            | 3,950,390  | 771,555   |
| 45. Utah                     | UT            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 46. Vermont                  | VT            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 47. Virginia                 | VA            | L                         | 6,014,772  | 6,939,851  | 0                                      | 5,245,701              | 4,818,251            | 2,815,111  | 560,671   |
| 48. Washington               | WA            | L                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 49. West Virginia            | WV            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 50. Wisconsin                | WI            | L                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 51. Wyoming                  | WY            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 52. American Samoa           | AS            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 53. Guam                     | GU            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 54. Puerto Rico              | PR            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 55. U.S. Virgin Islands      | VI            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 56. Northern Mariana Islands | MP            | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 57. Canada                   | CAN           | N                         | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 58. Aggregate other alien    | OT            | XXX                       | 0  | 0  | 0                                      | 0                      | 0                    | 0  | 0   |
| 59. Totals                   | (a)           | 18                        | 60,578,602   | 61,239,001   | 0                                      | 41,240,340             | 38,907,952           | 21,751,212   | 5,900,029   |

## DETAILS OF WRITE-INS

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

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

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

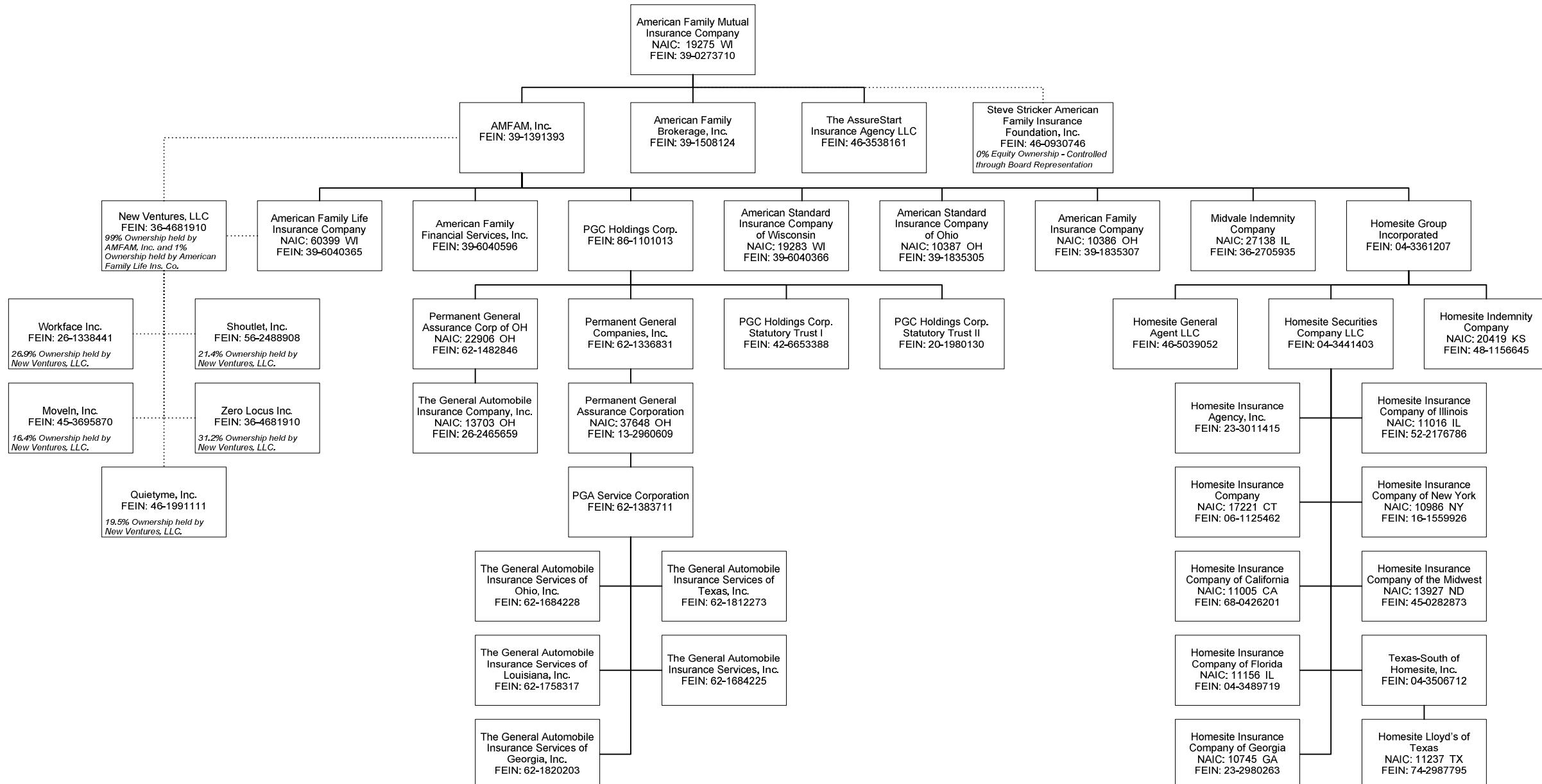
Premiums are not allocated, but are based on the policyholders residence address.

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Permanent General Assurance Corporation of Ohio

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**



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