



# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2015  
OF THE CONDITION AND AFFAIRS OF THE

## SONNENBERG MUTUAL INSURANCE COMPANY

NAIC Group Code 0207 , 0207 NAIC Company Code 10271 Employer's ID Number 34-0541185  
(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 01/01/1905 Commenced Business 01/01/1859

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

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

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

Primary Location of Books and Records 1685 Cleveland Road Wooster, OH, US 44691-0036 330-262-9060-2437  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.wrg-ins.com

Statutory Statement Contact Joseph E. Wilford 330-262-9060-2437  
(Name) (Area Code) (Telephone Number) (Extension)  
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### OFFICERS

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

### OTHER OFFICERS

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

### DIRECTORS OR TRUSTEES

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

State of Ohio

County of Wayne ss

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

<u>KEVIN W. DAY</u> PRESIDENT AND SECRETARY -CHIEF EXECUTIVE OFFICER	<u>MICHAEL A. SHUTT</u> VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER
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a. Is this an original filing? Yes  No

b. If no:

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this 13th day of November, 2015

David Lee Jarrett, Attorney at Law  
No Expiration Date

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	14,203,257	0	14,203,257	13,839,619
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	48,816
2.2 Common stocks .....	6,976,498	3,312	6,973,186	7,405,665
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0	0	0	0
5. Cash (\$ .....980,085 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....743,044 ) .....	1,723,129	0	1,723,129	1,448,664
6. Contract loans (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	0	0	0	0
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	22,902,884	3,312	22,899,573	22,742,764
13. Title plants less \$ ..... charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	154,464	0	154,464	130,159
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	306,547	9,921	296,626	305,220
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	788	0	788	2,628
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	10,050	0	10,050	0
18.2 Net deferred tax asset .....	88,787	0	88,787	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ ..... ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	15,413	15,413	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	23,478,933	28,646	23,450,288	23,180,770
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	23,478,933	28,646	23,450,288	23,180,770
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid Asset .....	15,413	15,413	0	0
2502. ....			0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	15,413	15,413	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 1,617,925 )	3,164,601	2,948,392
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	608,081	608,081
4. Commissions payable, contingent commissions and other similar charges	297,965	303,045
5. Other expenses (excluding taxes, licenses and fees)	391,685	472,100
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	96,752	116,864
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	11,047
7.2 Net deferred tax liability	0	257,929
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	4,731,908	4,519,774
10. Advance premium	98,604	67,289
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	33,721	33,644
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	210,576	301,672
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	9,633,894	9,639,837
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	9,633,894	9,639,837
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	13,816,394	13,540,933
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )	0	0
36.2 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	13,816,394	13,540,933
38. Totals (Page 2, Line 28, Col. 3)	23,450,288	23,180,770
<b>DETAILS OF WRITE-INS</b>		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 11,228,590 )	8,477,661	2,219,421	3,812,709
1.2 Assumed (written \$ 7,472,947 )	7,260,812	7,097,462	9,489,117
1.3 Ceded (written \$ 11,228,590 )	8,477,660	2,219,421	3,812,709
1.4 Net (written \$ 7,472,947 )	7,260,813	7,097,462	9,489,117
DEDUCTIONS:			
2. Losses incurred (current accident year \$ )::			
2.1 Direct	5,877,201	931,985	1,665,375
2.2 Assumed	3,758,757	3,676,918	4,979,718
2.3 Ceded	5,877,186	931,985	1,665,375
2.4 Net	3,758,772	3,676,918	4,979,718
3. Loss adjustment expenses incurred	705,904	698,311	981,767
4. Other underwriting expenses incurred	2,364,624	2,333,247	3,084,493
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	6,829,300	6,708,476	9,045,979
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	431,513	388,985	443,138
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	376,725	377,445	525,511
10. Net realized capital gains (losses) less capital gains tax of \$ 161,693	313,875	27,959	207,983
11. Net investment gain (loss) (Lines 9 + 10)	690,600	405,404	733,494
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 8,389 )	(8,389)	(8,441)	(11,631)
13. Finance and service charges not included in premiums	110,454	112,033	149,770
14. Aggregate write-ins for miscellaneous income	154	113	250
15. Total other income (Lines 12 through 14)	102,219	103,706	138,388
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,224,332	898,095	1,315,020
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,224,332	898,095	1,315,020
19. Federal and foreign income taxes incurred	137,210	119,790	131,686
20. Net income (Line 18 minus Line 19)(to Line 22)	1,087,122	778,305	1,183,334
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	13,540,932	12,517,261	12,517,261
22. Net income (from Line 20)	1,087,122	778,305	1,183,334
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (389,240)	(755,584)	132,989	27,065
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(42,525)	(87,707)	(171,590)
27. Change in nonadmitted assets	(13,949)	(9,852)	(11,025)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	397	0	(4,113)
38. Change in surplus as regards policyholders (Lines 22 through 37)	275,462	813,735	1,023,671
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	13,816,394	13,330,996	13,540,932
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income (Expense)	154	113	250
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	154	113	250
3701. Change in Surplus Due to Prior Period Adjustment (See Footnote 2)	397	0	(4,113)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	397	0	(4,113)

## CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	7,504,341	7,291,415	9,618,738
2. Net investment income .....	400,291	369,723	557,073
3. Miscellaneous income .....	102,219	103,706	138,388
4. Total (Lines 1 to 3) .....	8,006,851	7,764,844	10,314,199
5. Benefit and loss related payments .....	3,540,724	3,758,627	4,958,052
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	3,164,933	3,158,477	4,054,824
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	320,000	65,000	150,000
10. Total (Lines 5 through 9) .....	7,025,656	6,982,105	9,162,876
11. Net cash from operations (Line 4 minus Line 10) .....	981,194	782,740	1,151,324
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	913,782	625,936	992,438
12.2 Stocks .....	1,867,348	172,098	1,371,267
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	632,363	632,364
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	16	2	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	2,781,146	1,430,399	2,996,069
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	1,295,455	1,534,219	2,136,291
13.2 Stocks .....	2,085,258	531,211	2,007,699
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	256,397	256,397
13.6 Miscellaneous applications .....	10,994	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	3,391,707	2,321,827	4,400,387
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(610,561)	(891,428)	(1,404,318)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	(96,169)	430,922	432,004
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(96,169)	430,922	432,004
<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) .....	274,465	322,234	179,010
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,448,664	1,269,654	1,269,654
19.2 End of period (Line 18 plus Line 19.1) .....	1,723,129	1,591,888	1,448,664

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Sonnenberg Mutual Insurance Company (SMIC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

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

The financial statements of the Company are presented solely on the basis of accounting principles prescribed by the Ohio Department of Insurance. As such, there are no increases or decreases to net income nor surplus on a statutory accounting basis as shown by the reconciliation below:

	State of Domicile	2015	2014
<u>NET INCOME</u>			
(1) SMIC state basis (Page 4, Line 20, Columns 1 & 3)	Ohio	\$ 1,087,122	\$ 1,183,334
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (1-2-3=4)		<u>\$ 1,087,122</u>	<u>\$ 1,183,334</u>
<u>SURPLUS</u>			
(5) SMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 13,816,394	\$ 13,540,932
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(8) NAIC SAP (5-6-7=8)		<u>\$ 13,816,394</u>	<u>\$ 13,540,932</u>

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

No significant changes.

#### C. Accounting Policy

No significant changes.

### 2. Accounting Changes and Corrections of Errors

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

In accordance with SSAP No. 3 *Accounting Changes and Errors*, the Company recorded a prior period adjustment in December 2014 to true-up the liability for the nonqualified, unfunded directors' retirement plan. The net impact to surplus was a decrease of \$4,113.

### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method

Not applicable.

#### B. Statutory Merger

Not applicable.

#### C. Impairment Loss

Not applicable.

### 4. Discontinued Operations

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans  
Not applicable.
- B. Debt Restructuring  
Not applicable.
- C. Reverse Mortgages  
Not applicable.
- D. Loan-Backed Securities  
Not applicable.
- E. Repurchase Agreements and/or Securities Lending Transactions  
Not applicable.
- F. Real Estate  
Not applicable.
- G. Low-Income Housing Tax Credits (LIHTC)  
Not applicable.
- H. Restricted Assets  
Not applicable.
- I. Working Capital Finance Investments  
Not applicable
- J. Offsetting and Netting of Assets and Liabilities  
Not applicable
- K. Structured Notes  
Not applicable

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

No significant changes.

### 7. Investment Income

No significant changes.

### 8. Derivative Instruments

No significant changes.

### 9. Income Taxes

- A. The components of the net deferred tax asset/(liability) at September 30, 2015 and December 31, 2014 are as follows:

1.

	09/30/2015		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 635,951	\$ 36,844	\$ 672,796
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	635,951	36,844	672,796
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	635,951	36,844	672,796
(f) Deferred Tax Liabilities	(69,093)	(514,915)	(584,008)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 566,858	\$ (478,071)	\$ 88,787

## NOTES TO FINANCIAL STATEMENTS

	<b>12/31/2014</b>		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 690,832	\$ 52,432	\$ 743,264
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	690,832	52,432	743,264
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	690,832	52,432	743,264
(f) Deferred Tax Liabilities	(64,127)	(937,066)	(1,001,193)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 626,705</u>	<u>\$ (884,634)</u>	<u>\$ (257,929)</u>
	<b>Change</b>		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ (54,880)	\$ (15,588)	\$ (70,468)
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(54,880)	(15,588)	(70,468)
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	(54,880)	(15,588)	(70,468)
(f) Deferred Tax Liabilities	(4,966)	422,150	417,184
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ (59,846)</u>	<u>\$ 406,562</u>	<u>\$ 346,715</u>

## 2. Admission Calculation Components SSAP No. 101

	<b>09/30/2015</b>		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 257,011	\$ —	\$ 257,011
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	522,670	—	522,670
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	522,670	—	522,670
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	2,072,459
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	113,281	36,844	150,126
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 635,951</u>	<u>\$ 36,844</u>	<u>\$ 672,796</u>

## NOTES TO FINANCIAL STATEMENTS

	12/31/2014		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ —	\$ —	\$ —
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	522,670	—	522,670
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	522,670	—	522,670
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	2,033,163
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>168,162</u>	<u>52,432</u>	<u>220,594</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 690,832</u>	<u>\$ 52,432</u>	<u>\$ 743,264</u>

	Change		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 257,011	\$ —	\$ 257,011
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	—	—	—
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	63,388
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>(54,881)</u>	<u>(15,588)</u>	<u>(70,468)</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ (54,881)</u>	<u>\$ (15,588)</u>	<u>\$ (70,468)</u>

3.

	2015	2014
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 13,816,394	\$ 13,540,932

## NOTES TO FINANCIAL STATEMENTS

## 4. Impact of Tax—Planning Strategies

		<u>09/30/2015</u>	
		(1)	(2)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 635,951	\$ 36,844
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 635,951	\$ 36,844
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		<u>12/31/2014</u>	
		(3)	(4)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 690,832	\$ 52,432
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 690,832	\$ 52,432
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		<u>Change</u>	
		(5)	(6)
		(Col 1-3)	(Col 2-4)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ (54,880)	\$ (15,588)
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ (54,880)	\$ (15,588)
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
(b)	Does the Company's tax—planning strategies include the use of reinsurance? Yes _____ No <u>X</u>		

B. The Company has no temporary differences for which deferred tax liabilities are not recognized.

## NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	09/30/2015	12/31/2014	(Col 1—2) Change
1. Current Income Tax			
(a) Federal	\$ 137,210	\$ 131,686	\$ 5,524
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 137,210	\$ 131,686	\$ 5,524
(d) Federal income tax on net capital gains	\$ 161,693	\$ 107,143	\$ 54,550
(e) Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f) Other (incl. prior year over/under accrual)	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 298,903</u>	<u>\$ 238,829</u>	<u>\$ 60,074</u>
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 49,464	\$ 49,282	\$ 182
(2) Unearned premium reserve	\$ 312,770	\$ 307,345	\$ 14,425
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed assets and prepaid expense— nonadmitted	\$ 8,162	\$ 3,381	\$ 4,781
(8) Compensation and benefits accrual	\$ 48,439	\$ 71,396	\$ (22,956)
(9) Pension accrual	\$ 22,864	\$ 25,366	\$ (2,502)
(10) Receivables – nonadmitted	\$ 452	\$ 452	\$ —
(11) Net operating loss carry—forward	\$ —	\$ —	\$ —
(12) Tax credit carry—forward	\$ —	\$ 56,340	\$ (56,340)
(13) Other (including items <5% of total ordinary tax assets):			
(14) Salvage and subrogation anticipated	\$ 127,081	\$ 127,081	\$ —
(15) Software capitalized	\$ 51,014	\$ 45,613	\$ 5,401
(16) Other	\$ 6,705	\$ 4,576	\$ 2,129
(99) Subtotal	\$ 635,951	\$ 690,831	\$ (54,880)
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 635,951</u>	<u>\$ 690,831</u>	<u>\$ (54,880)</u>
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry—forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 36,844	\$ 52,432	\$ (15,588)
(99) Subtotal	\$ 36,844	\$ 52,432	\$ (15,588)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 36,844</u>	<u>\$ 52,432</u>	<u>\$ (15,588)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 672,796</u>	<u>\$ 743,264</u>	<u>\$ (70,468)</u>
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ (42,255)	\$ (43,259)	\$ 1,004
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities)	\$ (26,838)	\$ (20,868)	\$ (5,971)
(99) Subtotal	\$ (69,093)	\$ (64,127)	\$ (4,966)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (514,915)	\$ (937,066)	\$ 422,150
(99) Subtotal	\$ (914,915)	\$ (937,066)	\$ 422,150
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (584,008)</u>	<u>\$ (1,001,193)</u>	<u>\$ 417,184</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ 88,787</u>	<u>\$ (257,928)</u>	<u>\$ 346,715</u>

## NOTES TO FINANCIAL STATEMENTS

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. Among the more significant book to tax adjustments were the following:

	<u>09/30/2015</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 471,249	34.0%
Tax exempt interest	(42,484)	(3.1%)
Dividends received deduction	(23,244)	(1.7%)
Change in deferred tax on nonadmitted assets	(4,781)	(0.3%)
Other	<u>(26,403)</u>	<u>(1.7%)</u>
Total	<u>\$ 374,337</u>	<u>27.0%</u>
Federal and foreign income taxes incurred	\$ 137,210	9.9%
Tax on capital gains (losses)	161,693	11.7%
Change in net deferred income taxes	<u>75,434</u>	<u>5.4%</u>
Total statutory income taxes	<u>\$ 374,337</u>	<u>27.0%</u>

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

(1) As of September 30, 2015, the Company had no net operating loss and net capital loss carry—forwards available for tax purposes.

As of September 30, 2015, the Company had no alternative minimum tax (AMT) credit carry—forwards.

(2) As of September 30, 2015, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$238,829.

(3) The Company has no deposits reported as admitted assets under IRC §6603 as of September 30, 2015.

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

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At September 30, 2015, there was no intercompany receivable due from and/or due to its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. No significant changes.
- G. No significant changes.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. No significant changes.

## NOTES TO FINANCIAL STATEMENTS

### 11. Debt

Not applicable.

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

#### A. Defined Benefit Plan

The Company has a non-qualified, unfunded, directors' retirement plan and a retiree healthcare plan. The retiree health care plan was closed to new participants. The directors' retirement plan was terminated July 1, 2015 with payout of vested benefit balances scheduled to occur in July 2016. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of September 30, 2015 and December 31, 2014, amounts held for these deferrals were \$0.2 million and \$0.3 million, respectively.

#### B. Investment Policies and Strategies

Not applicable.

#### C. Fair Value of Plan Assets

Not applicable.

#### D. Basis of Rates of Returns on Assets

Not applicable.

#### E. Defined Contribution Plans

No significant changes.

#### F. Multiemployer Plans

Not applicable.

#### G. Consolidated/Holding Company Plans

Not applicable.

#### H. Postemployment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

### 13. Capital and Surplus, Dividend Restrictions and Quasi—Reorganizations

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$1.6 million and \$2.8 million at September 30, 2015 and December 31, 2014, respectively.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 14. Liabilities, Contingencies and Assessments

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

### 15. Leases

No significant changes.

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

Not applicable.

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

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

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

- A. ASO Plans  
Not applicable.
- B. ASC Plans  
Not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract  
Not applicable.

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

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

## 20. Fair Value Measurements

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

*Level 1:*

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

*Level 2:*

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

*Level 3:*

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

- (1) Fair Value Measurements at September 30, 2015:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred Stock:				
Industrial and Misc	\$ —	\$ —	\$ —	\$ —
Total Perpetual Preferred Stocks	—	—	—	—
Common Stock:				
Mutual Funds	1,118,723			1,118,723
Industrial and Misc	5,771,557	—	82,906	5,854,463
Total Common Stocks	6,890,280	—	82,906	6,973,186
Other Invested Assets	—	—	—	—
Total assets at fair value	\$ 6,890,280	\$ —	\$ 82,906	\$ 6,973,186
b. Liabilities at fair value:				
Not applicable.				

## Fair Value Measurements at December 31, 2014:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred Stock:				
Industrial and Misc	\$ 48,816	\$ —	\$ —	\$ 48,816
Total Perpetual Preferred Stocks	48,816	—	—	48,816
Common Stock:				
Mutual Funds	2,094,535			2,094,535
Industrial and Misc	5,228,224	—	82,906	5,311,130
Total Common Stocks	7,322,759	—	82,906	7,405,665
Other Invested Assets	—	—	—	—
Total assets at fair value	\$ 7,371,575	\$ —	\$ 82,906	\$ 7,454,481
Liabilities at fair value:				
Not applicable.				

## NOTES TO FINANCIAL STATEMENTS

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

	Beginning Balance at 01/01/2015	Transfers In/(out) Level 3	Total Gain/(Loss) Included in Net Income	Total Gain/(Loss) Included in Surplus	(Sales)	Ending Balance at 09/30/2015
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 82,906	\$ —	\$ —	\$ —	\$ —	\$ 82,906
Other Invested Assets	—	—	—	—	—	—
Total Assets	<u>\$ 82,906</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 82,906</u>
b. Liabilities:						
Not applicable.						

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

(4) As of September 30, 2015, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

**Common Stocks** – The Company holds an investment in NAMIC common stock.

Not applicable.

B. Not applicable

C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 14,710,924	\$ 14,203,257	\$ 1,080,574	\$ 13,630,350	\$ —	\$ —
Perpetual Preferred Stock	—	—	—	—	—	—
Common Stock	6,973,185	6,973,185	6,890,279	—	82,906	—
Other Invested Assets	—	—	—	—	—	—

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

## 21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures and Unusual Items

Not applicable.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non—Transferrable Tax Credits

Not applicable.

F. Subprime Mortgage Related Risk Exposure

Not applicable.

## 22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through November 15, 2015 for the statutory statement issued on November 16, 2015 for the quarter ending September 30, 2015. No Type I events were identified that would have a material effect on the financial condition of the Company.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through November 15, 2015 for the statutory statement issued on November 16, 2015 for the quarter ending September 30, 2015. No Type II events were identified that would have a material effect on the financial condition of the Company.

## NOTES TO FINANCIAL STATEMENTS

### 23. Reinsurance

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

### 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

### 25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2014 were \$3.6 million. During 2015, \$1.5 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$1.9 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$.2 million favorable prior year development from December 31, 2014 to September 30, 2015. Favorable development in auto physical damage, commercial auto liability, commercial multi-peril, other property and other liability lines of insurance, were offset, in part, by unfavorable development in homeowner and farmowner lines of insurance. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on *retrospectively* rated policies, as the Company does not write this type of policy.

### 26. Intercompany Pooling Agreements

No significant changes.

### 27. Structured Settlements

Not applicable.

### 28. Health Care Receivables

Not applicable.

### 29. Participating Policies

Not applicable.

### 30. Premium Deficiency Reserves

No significant changes.

### 31. High Deductibles

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

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

No significant changes.

## 33. Asbestos/Environmental Reserves

- A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes ( ) No (x)
- B. Not applicable.
- C. Not applicable.
- D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (x) No ( )

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
(1) Direct –					
a. Beginning reserves:	\$ 1	\$ 1	\$ 4	\$ 8	\$ 4
b. Incurred losses and loss adjustment expense:	2	4	9	4	0
c. Calendar year payments for losses and loss adjustment expenses:	<u>2</u>	<u>1</u>	<u>5</u>	<u>7</u>	<u>0</u>
d. Ending reserves:	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 8</u>	<u>\$ 4</u>	<u>\$ 4</u>
(2) Assumed Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(3) Net of Ceded Reinsurance –					
a. Beginning reserves:	\$ 1	\$ 1	\$ 4	\$ 8	\$ —
b. Incurred losses and loss adjustment expense:	2	4	5	(8)	—
c. Calendar year payments for loss and loss adjustment expenses:	<u>2</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 8</u>	<u>\$ —</u>	<u>\$ —</u>

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

- E. State the amount of ending reserves for Bulk + IBNR included in D (Loss & LAE):
- (1) Direct Basis: \$ —
- (2) Assumed Reinsurance Basis: \$ —
- (3) Net of Ceded Reinsurance Basis: \$ —

## NOTES TO FINANCIAL STATEMENTS

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

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

**34. Subscriber Savings Accounts**

Not applicable.

**35. Multiple Peril Crop Insurance**

Not applicable.

**36. Financial Guaranty Insurance**

Not applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2011
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/2011
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....11/26/2012
- 6.4 By what department or departments?  
Ohio.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

## GENERAL INTERROGATORIES

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

9.11 If the response to 9.1 is No, please explain:  
 .....

- 9.2 Has the code of ethics for senior managers been amended? ..... Yes  No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....

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

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

### FINANCIAL

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

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

### INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....3,425	\$ .....3,312
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....3,425	\$ .....3,312
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

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

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No

If no, attach a description with this statement.

**GENERAL INTERROGATORIES**

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
  - 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
  - 16.3 Total payable for securities lending reported on the liability page \$ .....

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

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

1 Name of Custodian(s)	2 Custodian Address
Northern Trust Company.....	Chicago, Illinois.....

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
154425.....	Harvest Fund Advisors.....	100 W. Lancaster Ave. Second Floor, Wayne PA 19087.....

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

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





STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

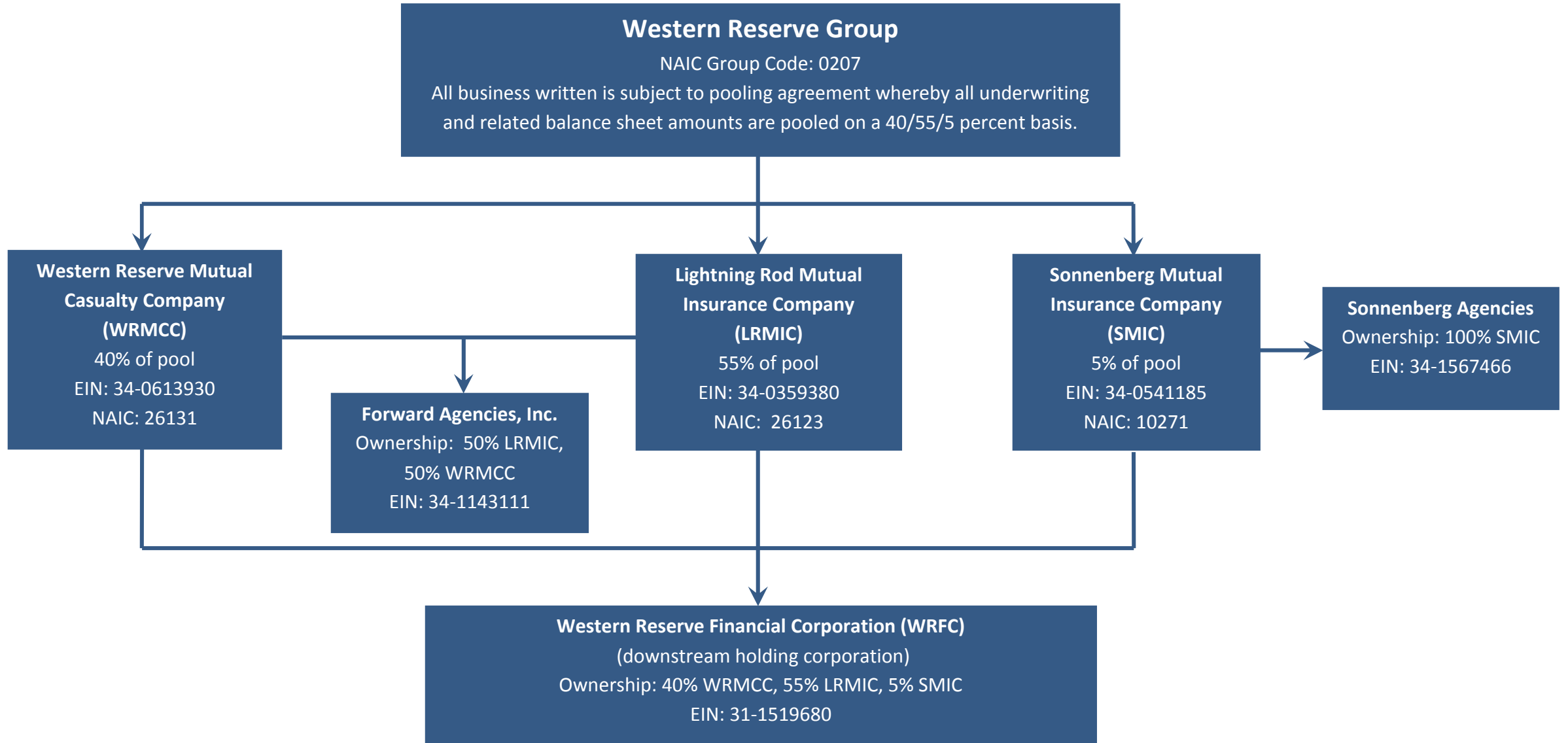
States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. Dist. Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	N	0	0	0	0	0	
15. Indiana	IN	L	3,125,481	841,780	1,330,265	144,202	1,004,366	29,538
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	8,103,109	2,428,326	2,683,331	638,266	1,324,497	315,705
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a)	2	11,228,590	3,270,106	4,013,596	782,468	2,328,863	345,243
<b>DETAILS OF WRITE-INS</b>								
58001.	XXX							
58002.	XXX							
58003.	XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX		0	0	0	0	0	0

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

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

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

**PART 1 – ORGANIZATIONAL CHART**





**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	24,563	0	0.0	0.0
2. Allied lines	11,152	6,404	57.4	(4.0)
3. Farmowners multiple peril	257,085	39,290	15.3	72.9
4. Homeowners multiple peril	1,853,342	964,131	52.0	39.2
5. Commercial multiple peril	0	0	0.0	0.0
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	0	0	0.0	0.0
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability -occurrence	0	0	0.0	0.0
11.2 Medical professional liability -claims made	0	0	0.0	0.0
12. Earthquake	0	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	0	0	0.0	0.0
17.1 Other liability occurrence	919	0	0.0	0.0
17.2 Other liability-claims made	0	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	0	0	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	3,610,414	2,683,333	74.3	21.5
19.3,19.4 Commercial auto liability	0	0	0.0	0.0
21. Auto physical damage	2,719,301	2,184,043	80.3	38.6
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	0	0	0.0	0.0
27. Boiler and machinery	885	0	0.0	0.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	8,477,661	5,877,201	69.3	42.0
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	10,802	24,805	26,878
2. Allied lines	4,128	10,683	11,429
3. Farmowners multiple peril	72,649	235,705	267,712
4. Homeowners multiple peril	693,853	1,867,296	1,879,904
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	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability occurrence	451	963	1,021
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	2,242,872	5,153,396	624,868
19.3,19.4 Commercial auto liability	0	0	0
21. Auto physical damage	1,784,051	3,933,096	457,693
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	1,608	2,646	601
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	4,810,414	11,228,590	3,270,106
<b>DETAILS OF WRITE-INS</b>			
3401.	0	0	0
3402.	0	0	0
3403.	0	0	0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2015 Loss and LAE Payments on Claims Reported as of Prior Year-End	2015 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2015 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2012 + Prior .....	.699	.89	.788	.262	.3	.265	.344	.6	.23	.373	(.93)	(.57)	(.150)
2. 2013 .....	.872	.64	.936	.237	.11	.248	.483	.17	.32	.532	(.152)	(.4)	(.156)
3. Subtotals 2013 + prior .....	1,571	.153	1,724	.499	.14	.513	.827	.23	.55	.905	(.245)	(.61)	(.306)
4. 2014 .....	1,387	.445	1,832	.757	.155	.912	.801	.58	.95	.954	.171	(.137)	.34
5. Subtotals 2014 + prior .....	2,958	.598	3,556	1,256	.169	1,425	1,628	.81	150	1,859	(.74)	(.198)	(.272)
6. 2015 .....	XXX	XXX	XXX	XXX	2,823	2,823	XXX	1,467	448	1,915	XXX	XXX	XXX
7. Totals .....	2,958	598	3,556	1,256	2,992	4,248	1,628	1,548	598	3,774	(74)	(198)	(272)
8. Prior Year-End Surplus As Regards Policy-holders	13,541										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (2.5)	2. (33.1)	3. (7.6)
													Col. 13, Line 7 Line 8
													4. (2.0)

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

**Explanation:**

- 1.
- 2.
- 3.

**Bar Code:**

1.	 1 0 2 7 1 2 0 1 5 4 9 0 0 0 0 0 3
2.	 1 0 2 7 1 2 0 1 5 4 5 5 0 0 0 0 3
3.	 1 0 2 7 1 2 0 1 5 3 6 5 0 0 0 0 3

**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A – VERIFICATION**

**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	0	0
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

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

NONE

**SCHEDULE BA – VERIFICATION**

**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	435,046
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		256,397
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		(85,118)
6. Total gain (loss) on disposals .....		26,039
7. Deduct amounts received on disposals .....		632,364
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

**SCHEDULE D – VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	21,297,525	19,149,059
2. Cost of bonds and stocks acquired .....	3,380,713	4,143,990
3. Accrual of discount .....	9,160	13,239
4. Unrealized valuation increase (decrease) .....	(1,144,841)	126,125
5. Total gain (loss) on disposals .....	486,562	289,087
6. Deduct consideration for bonds and stocks disposed of .....	2,781,355	2,363,705
7. Deduct amortization of premium .....	57,031	60,270
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other-than-temporary impairment recognized .....	10,979	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	21,179,754	21,297,525
11. Deduct total nonadmitted amounts .....	3,312	3,425
12. Statement value at end of current period (Line 10 minus Line 11)	21,176,442	21,294,100

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	14,372,074	1,512,744	1,460,554	18,977	14,294,441	14,372,074	14,443,241	14,346,425
2. NAIC 2 (a).....	401,090		74,000	175,970	401,163	401,090	503,061	276,258
3. NAIC 3 (a).....	205,432			(205,432)	206,088	205,432	0	206,732
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	14,978,596	1,512,744	1,534,554	(10,484)	14,901,692	14,978,596	14,946,302	14,829,415
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				49,158	0	0	48,816
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	49,158	0	0	48,816
15. Total Bonds & Preferred Stock	14,978,596	1,512,744	1,534,554	(10,484)	14,950,850	14,978,596	14,946,302	14,878,231

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

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**SCHEDULE DA - PART 1**

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	743,044	XXX	743,044	67	

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	989,796	683,967
2. Cost of short-term investments acquired .....	3,779,846	7,195,293
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	4,026,597	6,889,463
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	743,044	989,796
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	743,044	989,796

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
558495-LR-6	Madison WI Met Sch District		07/21/2015	VENDOR CODE FIRS NOT IN TABLE		102,518	100,000		1FE
592112-QD-1	Met Govt Nashville & Davidson TN		07/21/2015	VENDOR CODE FIRS NOT IN TABLE		113,104	100,000		1FE
985743-PW-7	Yellowstone County School MT		09/02/2015	D A Davidson & Co.		165,633	135,000		1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>						381,255	335,000	0	XXX
<b>Bonds - U.S. Special Revenue</b>									
438701-ZA-5	Honolulu City & Cnty HI Rev.		09/02/2015	Raymond James & Associates, Inc.		122,731	100,000	306	1FE
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>						122,731	100,000	306	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
053015-AE-3	Automatic Data Processing Inc NT		09/09/2015	VENDOR CODE FIRS NOT IN TABLE		100,840	100,000		1FE
48125U-UH-3	JPMORGAN CHASE & Co.		08/14/2015	VENDOR CODE DONA NOT IN TABLE		100,000	100,000		1FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						200,840	200,000	0	XXX
<b>8399997 - Subtotals - Bonds - Part 3</b>						704,826	635,000	306	XXX
<b>8399999 - Subtotals - Bonds</b>						704,826	635,000	306	XXX
<b>Common Stocks - Industrial and Miscellaneous</b>									
Y2687W-10-8	Gaslog Partners LP MLP	R	07/21/2015	Harvest Investment Manager	4,000	86			
Y8565J-10-1	Teekay Offshore Partners LP MLP	R	07/21/2015	Harvest Investment Manager	4,000	75			
02752P-10-0	American Midstream Partners LP		07/21/2015	Harvest Investment Manager	8,000	105			
030975-10-6	Amerigas Partners LP MLP		07/21/2015	Harvest Investment Manager	6,000	279			
03673L-10-3	Antero Midstream Partners LP MLP		07/21/2015	Harvest Investment Manager	26,000	732			
07177M-10-3	Baxalta Inc.		07/01/2015	Stock Spin Off	1,050,000	11,294			
096627-10-4	Boardwalk Pipeline Partners LP		09/25/2015	Harvest Investment Manager	75,000	1,035			
118230-10-1	Buckey Partners LP MLP		07/21/2015	Harvest Investment Manager	48,000	3,499			
131476-10-3	Calumet Specialty Prods Prtns LP		07/21/2015	Harvest Investment Manager	2,000	55			
164110-10-1	Cheniere Energy Partners LP		08/07/2015	Harvest Investment Manager	51,000	1,580			
198281-10-7	Columbia Pipeline Partners MLP LP		07/21/2015	Harvest Investment Manager	19,000	450			
206812-10-9	Cone Midstream Partners LP MLP		07/14/2015	Harvest Investment Manager	10,000	176			
226378-10-7	Crestwood Midstream Partners LP		09/21/2015	Harvest Investment Manager	31,000	208			
22758A-10-5	CrossAmerica Partners LP Unit Ltd.		07/22/2015	Harvest Investment Manager	12,000	337			
23311P-10-0	DCP Midstream Partners LP		09/18/2015	Harvest Investment Manager	94,000	2,853			
24664T-10-3	Delek Logistics Partners MLP		07/16/2015	Harvest Investment Manager	1,000	46			
257454-10-8	Dominion Midstream Partners MLP		07/21/2015	Harvest Investment Manager	7,000	245			
29250R-10-6	Enbridge Energy Partners LP MLP		07/21/2015	Harvest Investment Manager	32,000	1,005			
29273V-10-0	Energy Transfer Equity LP MLP		09/25/2015	Harvest Investment Manager	95,000	5,593			
29273R-10-9	Energy Transfer Partners LP MLP		09/25/2015	Harvest Investment Manager	227,000	11,088			
29336T-10-0	Enlink Midstream LLC		07/21/2015	Harvest Investment Manager	6,000	170			
29336U-10-7	Enlink Midstream Partners LP MLP		09/21/2015	Harvest Investment Manager	48,000	978			
293792-10-7	Enterprise Prods Partners LP MLP		07/30/2015	Harvest Investment Manager	317,000	9,078			
26885J-10-3	EQT GP Holdings LP		07/21/2015	Harvest Investment Manager	6,000	193			
26885B-10-0	EQT Midstream Partners LP		09/14/2015	Harvest Investment Manager	41,000	3,058			
30225X-10-3	Exterran Hldgs Inc		07/21/2015	Harvest Investment Manager	13,000	385			
30225N-10-5	Exterran Partners LP MLP		07/21/2015	Harvest Investment Manager	36,000	841			
637585-10-9	Gaslog Ltd.		07/21/2015	Harvest Investment Manager	20,000	334			
371927-10-4	Genesis Energy LP MLP		09/14/2015	Harvest Investment Manager	43,000	2,043			
Y2745C-10-2	Golar LNG Partners LP		09/14/2015	Harvest Investment Manager	44,000	783			
435763-10-7	Holly Energy Partners LP		07/21/2015	Harvest Investment Manager	12,000	388			
49456B-10-1	Kinder Morgan Inc Del Comm		09/21/2015	Harvest Investment Manager	54,000	1,697			
55608B-10-5	Macquarie Infrastructure Co LLC		07/21/2015	Harvest Investment Manager	18,000	1,493			
559080-10-6	Magellan Midstream Partners LP MLP		07/21/2015	Harvest Investment Manager	62,000	4,402			
570759-10-0	Markwest Energy Partners LP MLP		08/04/2015	Harvest Investment Manager	149,000	10,110			
62913M-10-7	NGL Energy Partners LP		07/13/2015	Harvest Investment Manager	15,000	448			
665826-10-3	Northern Tier Energy LP MLP		07/21/2015	Harvest Investment Manager	7,000	175			
67058H-10-2	Nustar Energy LP MLP		07/21/2015	Harvest Investment Manager	24,000	1,353			
682680-10-3	Oneok Inc Com Stk		07/21/2015	Harvest Investment Manager	22,000	865			
68268N-10-3	Oneok Partners LP MLP		09/22/2015	Harvest Investment Manager	138,000	4,553			
693180-10-4	PBF Logistics LP MLP		09/14/2015	Harvest Investment Manager	8,000	148			
709311-10-4	Penntex Midstream Partners MLP		07/22/2015	Harvest Investment Manager	9,000	162			
718546-10-4	Phillips 66 Com Stk		09/21/2015	Harvest Investment Manager	28,000	2,253			
718549-20-7	Phillips 66 Partners LP MLP		07/21/2015	Harvest Investment Manager	5,000	289			

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STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 3**

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

1	2	3	4	5			6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor		Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)	
726503-10-5	Plains All American Pipeline LP		08/24/2015	Harvest Investment Manager		198.000	7.472				
72651A-10-8	Plains GP Hldgs LP CL A MLP		09/25/2015	Harvest Investment Manager		85.000	2.004				
74735R-11-5	QEP Midstream Partners LP MLP		07/22/2015	Harvest Investment Manager		12.000	196				
762819-10-0	Rice Midstream Partners LP MLP		08/27/2015	Harvest Investment Manager		23.000	375				
81663A-10-5	Sengroup Corp CL A		09/14/2015	Harvest Investment Manager		27.000	1,753				
822634-10-1	Shell Midstream PA MLP		07/22/2015	Harvest Investment Manager		24.000	1,009				
84130C-10-0	Southcross Energy Partners LTD PT		07/30/2015	Harvest Investment Manager		2.000	20				
849343-10-8	Sprague Resources LP MLP		07/21/2015	Harvest Investment Manager		4.000	104				
864482-10-4	Suburban Propane Partners LP		07/20/2015	Harvest Investment Manager		1.000	39				
866142-10-2	Summit Midstream Partners LP		09/23/2015	Harvest Investment Manager		14.000	355				
86764L-10-8	Sunoco Logistics Partners LP MLP		07/22/2015	Harvest Investment Manager		22.000	794				
874696-10-7	Tallgrass Energy GP LP		08/27/2015	Harvest Investment Manager		17.000	497				
874697-10-5	Tallgrass Energy partners LP MLP		09/14/2015	Harvest Investment Manager		20.000	921				
87612G-10-1	Targa Resources Corp		09/25/2015	Harvest Investment Manager		36.000	2,598				
87611X-10-5	Targa Resources Partners LP MLP		09/25/2015	Harvest Investment Manager		180.000	6,319				
Y8564M-10-5	Teekay Long Partners LP MLP		07/21/2015	Harvest Investment Manager		22.000	658				
88160T-10-7	Tesoro Logistics LP MLP		07/22/2015	Harvest Investment Manager		73.745	3,952				
89353D-10-7	Transcanada Corp	I	09/14/2015	Harvest Investment Manager		10.000	366				
90290N-10-9	USA Compression Partners LP		07/21/2015	Harvest Investment Manager		16.000	321				
91914J-10-2	Valero Energy Partners LP MLP		07/21/2015	Harvest Investment Manager		14.000	602				
Y9384M-10-1	VTTI Energy Partners LP MLP		07/13/2015	Harvest Investment Manager		10.000	245				
95825R-10-3	Western Gas Equity Partners MLP		09/21/2015	Harvest Investment Manager		14.000	760				
95931Q-20-5	Western Refining Logistics LP		07/21/2015	Harvest Investment Manager		34.000	924				
960417-10-3	Westlake Chemical Partners LP MLP		07/22/2015	Harvest Investment Manager		80.000	1,880				
969457-10-0	Williams Co Inc		07/21/2015	Harvest Investment Manager		52.000	2,924				
96949L-10-5	Williams Partners LP MLP NEW		09/28/2015	Harvest Investment Manager		163.000	7,290				
<b>9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>							<b>131,322</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>	
<b>Common Stocks - Mutual Funds</b>											
233203-84-3	DFA US Small Cap Portfolio		08/25/2015	Northern Trust		345.780	10,000			U	
25264S-85-8	Diamond Hill Small Cap FD Cl I		08/25/2015	Northern Trust		317.760	10,000			U	
256206-10-3	Dodge & Cox Intl Stk FD	R	09/25/2015	Northern Trust		3,142.890	120,000			U	
<b>9299999 - Common Stocks - Mutual Funds</b>							<b>140,000</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>	
<b>9799997 - Subtotals - Common Stocks - Part 3</b>							<b>271,322</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>	
<b>9799999 - Subtotals - Common Stocks</b>							<b>271,322</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>	
<b>9899999 - Subtotals- Preferred and Common Stocks</b>							<b>271,322</b>	<b>XXX</b>	<b>0</b>	<b>XXX</b>	
<b>9999999 Totals</b>							<b>976,148</b>	<b>XXX</b>	<b>306</b>	<b>XXX</b>	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....3

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STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>																					
831641-ES-0...	SBA SBIC 2010-10A 1 CM0...		09/10/2015	PRINCIPAL RECEIPT		16,687	16,687	18,189	17,930		(1,244)		(1,244)		16,687			0	685	03/10/2020	1
<b>0599999 - Bonds - U.S. Governments</b>																					
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
25009X-FN-0...	Des Moines IA Series A		09/01/2015	Partial Call		5,000	5,000	5,000	5,000						5,000			0		06/01/2022	1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
427866-AM-0...	Hershey Co		08/17/2015	MATURITY		250,000	250,000	241,250	249,241		759		759		250,000			0	12,125	08/15/2015	1FE
494368-AY-9...	Kimberly Clark Corp Nt		08/17/2015	MATURITY		100,000	100,000	96,600	99,698		302		302		100,000			0	4,875	08/15/2015	1FE
982526-AB-1...	Wrigley Wm Jr Co SR NT		07/15/2015	MATURITY		100,000	100,000	74,000						74,000			26,000	26,000	4,650	07/15/2015	2FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
<b>8399997 - Subtotals - Bonds - Part 4</b>																					
<b>8399999 - Subtotals - Bonds</b>																					
<b>Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>																					
Y2687W-10-8...	Gaslog Partners LP MLP		09/14/2015	Harvest Investment Manager	1,000	17	XXX	28					0		28		(12)	(12)	1	XXX	J
Y8565J-10-1...	Teekay Offshore Partners LP MLP		09/14/2015	Harvest Investment Manager	28,000	545	XXX	750	750				0		750		(205)	(205)	32	XXX	J
282539-10-5...	Point3 Energy partners MLP		09/18/2015	Harvest Investment Manager	14,000	188	XXX	294					0		294		(106)	(106)		XXX	J
02752P-10-0...	American Midstream Partners LP		09/14/2015	Harvest Investment Manager	2,000	20	XXX	38	39	(1)			(1)		38		(18)	(18)	3	XXX	J
030975-10-6...	Amerigas Partners LP MLP		09/14/2015	Harvest Investment Manager	2,000	87	XXX	102					0		102		(15)	(15)	5	XXX	J
071813-10-9...	Baxter International Inc. Boardwalk Pipeline		07/01/2015	ROC		11,294	XXX	11,294	11,294				0		11,294			0		XXX	J
096627-10-4...	Partners LP		09/14/2015	Harvest Investment Manager	2,000	27	XXX	35					0		35		(8)	(8)		XXX	J
118230-10-1...	Buckey Partners LP MLP		09/14/2015	Harvest Investment Manager	12,000	802	XXX	986	908	78			78		986		(184)	(184)	41	XXX	J
131476-10-3...	Calumet Specialty Prods Prtns LP		09/14/2015	Harvest Investment Manager	1,000	24	XXX	28					0		28		(3)	(3)		XXX	J
164110-10-1...	Cheniere Energy Partners LP		09/14/2015	Harvest Investment Manager	1,000	27	XXX	34					0		34		(6)	(6)	2	XXX	J
198281-10-7...	Columbia Pipeline Partners MLP LP		09/14/2015	Harvest Investment Manager	5,000	87	XXX	140					0		140		(53)	(53)	1	XXX	J
206812-10-9...	Cone Midstream Partners LP MLP		09/14/2015	Harvest Investment Manager	4,000	48	XXX	94	96	(3)			(3)		94		(46)	(46)	2	XXX	J
22758A-10-5...	CrossAmerica Partners LP Unit Ltd		09/14/2015	Harvest Investment Manager	12,000	263	XXX	417	483	(67)			(67)		417		(154)	(154)	20	XXX	J
257454-10-8...	Dominion Midstream Partners MLP		09/14/2015	Harvest Investment Manager	2,000	60	XXX	85					0		85		(25)	(25)		XXX	J
29250R-10-6...	Enbridge Energy Partners LP MLP		09/14/2015	Harvest Investment Manager	8,000	206	XXX	318	319	(1)			(1)		318		(112)	(112)	14	XXX	J
29273V-10-0...	Energy Transfer Equity LP MLP		09/14/2015	Harvest Investment Manager	45,000	1,150	XXX	1,527					0		1,527		(376)	(376)		XXX	J
29273R-10-9...	Energy Transfer Partners LP MLP		09/14/2015	Harvest Investment Manager	23,000	1,048	XXX	1,554	1,495	59			59		1,554		(506)	(506)	70	XXX	J
29336T-10-0...	Enlink Midstream LLC		09/14/2015	Harvest Investment Manager	3,000	181	XXX	101					0		101		80	80	2	XXX	J
29336U-10-7...	Enlink Midstream Partners LP MLP		09/14/2015	Harvest Investment Manager	11,000	187	XXX	315	319	(4)			(4)		315		(128)	(128)	13	XXX	J
293792-10-7...	Enterprise Prods Partners LP MLP		09/14/2015	Harvest Investment Manager	31,000	802	XXX	1,192					0		1,192		(390)	(390)	25	XXX	J
29414J-10-7...	Enviva Partners MLP		09/14/2015	Harvest Investment Manager	10,000	156	XXX	202					0		202		(45)	(45)	7	XXX	J
26885J-10-3...	EQT GP Holdings LP		09/14/2015	Harvest Investment Manager	1,000	27	XXX	33					0		33		(5)	(5)		XXX	J
30225X-10-3...	Exterran Hldgs Inc		09/14/2015	Harvest Investment Manager	7,000	149	XXX	262					0		262		(113)	(113)	3	XXX	J
30225N-10-5...	Exterran Partners LP MLP		09/14/2015	Harvest Investment Manager	10,000	182	XXX	277	216	61			61		277		(95)	(95)	17	XXX	J
637585-10-9...	Gaslog Ltd		09/14/2015	Harvest Investment Manager	4,000	50	XXX	89					0		89		(39)	(39)	1	XXX	J
371927-10-4...	Genesis Energy LP MLP		07/22/2015	Harvest Investment Manager	5,000	220	XXX	248					0		248		(28)	(28)		XXX	J
435763-10-7...	Holly Energy Partners LP		09/14/2015	Harvest Investment Manager	2,000	60	XXX	70	60	10			10		70		(10)	(10)	3	XXX	J
55608B-10-5...	Macquarie Infrastructure Co LLC		09/14/2015	Harvest Investment Manager	5,000	395	XXX	416					0		416		(21)	(21)	6	XXX	J
559080-10-6...	Magellan Midstream Partners LP MLP		09/14/2015	Harvest Investment Manager	15,000	975	XXX	1,331	1,240	91			91		1,331		(355)	(355)	32	XXX	J
570759-10-0...	Markwest Energy Partners LP MLP		09/14/2015	Harvest Investment Manager	12,000	619	XXX	894	806	88			88		894		(275)	(275)	33	XXX	J
55336V-10-0...	MPLX LP Com MLP		09/14/2015	Harvest Investment Manager	38,000	2,218	XXX	2,741	1,837	(62)			(62)		2,741		(524)	(524)	25	XXX	J
62913M-10-7...	NGL Energy Partners LP		09/14/2015	Harvest Investment Manager	5,000	116	XXX	182	140	42			42		182		(66)	(66)	10	XXX	J
665826-10-3...	Northern Tier Energy LP MLP		09/14/2015	Harvest Investment Manager	2,000	49	XXX	50					0		50		(2)	(2)	3	XXX	J

E05

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
67058H-10-2	Nustar Energy LP MLP		09/14/2015	Harvest Investment Manager	6.000	299	XXX	402					0	402	402		(102)	(102)	13	XXX	L
682680-10-3	Oneok Inc Com Stk		09/02/2015	Harvest Investment Manager	166.000	5,955	XXX	8,207	4,481	306			306	8,207	8,207		(2,252)	(2,252)	232	XXX	L
68268N-10-3	Oneok Partners LP MLP		09/14/2015	Harvest Investment Manager	3.000	94	XXX	125					0	125	125		(30)	(30)	8	XXX	L
709311-10-4	PennTex Midstream Partners LP		09/14/2015	Harvest Investment Manager	1.000	17	XXX	20					0	20	20		(3)	(3)		XXX	L
718549-20-7	Phillips 66 Partners LP MLP		09/14/2015	Harvest Investment Manager	1.000	53	XXX	76					0	76	76		(22)	(22)		XXX	L
726503-10-5	Plains All American Pipeline LP		09/14/2015	Harvest Investment Manager	28.000	887	XXX	1,522	1,437	85			85	1,522	1,522		(635)	(635)	60	XXX	L
72651A-10-8	Plains GP Hldgs LP CL A MLP		09/14/2015	Harvest Investment Manager	221.000	4,236	XXX	6,090	4,494	271			271	6,090	6,090		(1,854)	(1,854)	93	XXX	L
74735R-11-5	QEP Midstream Partners LP MLP		07/22/2015	Harvest Investment Manager	187.000	3,101	XXX	3,101	2,485	(53)			(53)	3,101	3,101			0	93	XXX	L
762819-10-0	Rice Midstream Partners LP MLP		09/14/2015	Harvest Investment Manager	8.000	118	XXX	144					0	144	144		(26)	(26)	2	XXX	L
822634-10-1	Shell Midstream PA MLP		09/14/2015	VARIOUS	29.000	1,020	XXX	1,196	123	(15)			(15)	1,196	1,196		(176)	(176)	2	XXX	L
86764L-10-8	Sunoco Logistics Partners LP MLP		09/14/2015	Harvest Investment Manager	13.000	422	XXX	669	543	126			126	669	669		(247)	(247)	13	XXX	L
874696-10-7	Talgrass Energy GP LP		09/14/2015	Harvest Investment Manager	4.000	102	XXX	127					0	127	127		(25)	(25)		XXX	L
87612G-10-1	Targa Resources Corp		09/14/2015	Harvest Investment Manager	4.000	260	XXX	486	424	62			62	486	486		(226)	(226)	10	XXX	L
87611X-10-5	Targa Resources Partners LP MLP		09/14/2015	Harvest Investment Manager	5.000	152	XXX	211					0	211	211		(59)	(59)	7	XXX	L
Y8564M-10-5	Teekay Long Partners LP MLP		09/14/2015	Harvest Investment Manager	6.000	158	XXX	252	258	(6)			(6)	252	252		(94)	(94)	13	XXX	L
88160T-10-7	Tesoro Logistics LP MLP		09/14/2015	Harvest Investment Manager	5.750	283	XXX	333	338	(5)			(5)	333	333		(50)	(50)	14	XXX	L
90290N-10-9	USA Compression Partners LP		09/14/2015	Harvest Investment Manager	4.000	68	XXX	92					0	92	92		(24)	(24)	5	XXX	L
91914J-10-2	Valero Energy Partners LP MLP		09/24/2015	Harvest Investment Manager	16.000	694	XXX	814	173	28			28	814	814		(120)	(120)	8	XXX	L
Y9384M-10-1	VTTI Energy Partners LP MLP		09/14/2015	Harvest Investment Manager	4.000	80	XXX	110					0	110	110		(30)	(30)	1	XXX	L
95825R-10-3	Western Gas Equity Partners MLP		09/14/2015	Harvest Investment Manager	1.000	49	XXX	61					0	61	61		(12)	(12)		XXX	L
95931Q-20-5	Western Refining Logistics LP		09/14/2015	Harvest Investment Manager	7.000	164	XXX	232	214	19			19	232	232		(68)	(68)	7	XXX	L
960417-10-3	Westlake Chemical Partners LP MLP		09/14/2015	Harvest Investment Manager	131.000	2,747	XXX	3,568	3,219	(87)			(87)	3,568	3,568		(821)	(821)	64	XXX	L
969457-10-0	Williams Co Inc		09/14/2015	Harvest Investment Manager	82.000	4,156	XXX	4,591	1,348	318			318	4,591	4,591		(435)	(435)	36	XXX	L
96949L-10-5	Williams Partners LP MLP NEW		09/14/2015	Harvest Investment Manager	3.000	116	XXX	185					0	185	185		(69)	(69)	8	XXX	L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						47,514	XXX	58,741	39,542	1,341	0	0	1,341	0	58,741	0	(11,227)	(11,227)	1,057	XXX	XXX
9799997 - Subtotals - Common Stocks - Part 4						47,514	XXX	58,741	39,542	1,341	0	0	1,341	0	58,741	0	(11,227)	(11,227)	1,057	XXX	XXX
9799999 - Subtotals - Common Stocks						47,514	XXX	58,741	39,542	1,341	0	0	1,341	0	58,741	0	(11,227)	(11,227)	1,057	XXX	XXX
9899999 - Subtotals - Preferred and Common Stocks						47,514	XXX	58,741	39,542	1,341	0	0	1,341	0	58,741	0	(11,227)	(11,227)	1,057	XXX	XXX
9999999 Totals						519,201	XXX	493,779	485,411	1,341	(182)	0	1,159	0	504,428	0	14,773	14,773	23,505	XXX	XXX

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

E05.1

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



Schedule E - Part 2

**NONE**

Director and Officer Insurance Coverage

**NONE**