

ANNUAL STATEMENT

RECEIVED

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OFFICE OF RISK
ASSESSMENT

For the Year Ended

December 31 , 2015

OF THE CONDITION AND AFFAIRS OF THE

NORTON MUTUAL FIRE ASSOCIATION

ORGANIZED UNDER THE LAWS OF THE STATE OF OHIO

Made to the

INSURANCE COMMISSIONER OF THE STATE OF OHIO

Pursuant to the Laws thereof

NAIC Company Code

10264

Home Office

529 W TUSCARAWAS AVE

Street and Number

BARBERTON

City

44203

Zip Code

OH

Mail Address

PO BOX 107

Street and Number

BARBERTON

City

44203

Zip Code

OH

Main Administrative Office

(330) 745-5225

Telephone Number

Organized

MARCH 1879

Commenced Business

MARCH 1879

Annual Statement Contact Person

DIANNE L ANZALDI

Telephone Number

(330) 745-5225

Contact Person Email Address

danzaldi@nortonmutual.com

OFFICERS

President

CYNTHIA K KELLER

Vice President

THOMAS HARNDEN

Secretary

DIANNE L ANZALDI

Treasurer

DIANNE L ANZALDI

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

WAYNE AULT

PATRICK NOVAK

EDWARD GRESSER

DAVID WEAVER

THOMAS HARNDEN

JAMES CARPENTER

State of Ohio

County of

SUMMIT

CYNTHIA K KELLER

President and

DIANNE L ANZALDI

Secretary of the

NORTON MUTUAL FIRE ASSOCIATION

, being duly sworn each for himself/herself deposes and says, that they are the above described officers of said reporting entity, and that on the reporting period stated above all the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, with the schedules and explanations herein contained, annexed or referred to, is a full and correct statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me, this 26

day of FEB 20 16

Notary Public

JAMES A. CARPENTER, Notary Public

Residence - Summit County

State Wide Jurisdiction Ohio

My Commission Expires July 16, 2016

Revised 2009

Cynthia K Keller

President

Dianne L Anzaldi

Secretary

Dianne L Anzaldi

Signature of Person Preparing Statement

ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION

2015

ASSETS

		Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds (Schedule D - Part 1)	159,751.15	0.00	159,751.15	111,552.75
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	174,964.77	0.00	174,964.77	138,229.62
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	0.00	
4	Cash (Schedule E)	493,848.09	0.00	493,848.09	520,351.67
5	Short-term investments		0.00	0.00	
6	Aggregate write-ins for invested assets		0.00	0.00	
7	Subtotals, cash and invested assets	828,564.01	0.00	828,564.01	770,134.04
8	Investment income due and accrued	535.95	0.00	535.95	317.87
9.1	Assessments or premiums in the course of collection (including agents balances)	3,406.00	0.00	3,406.00	2,511.00
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due	85,970.00	0.00	85,970.00	78,113.00
9.3	Earned but unbilled premiums (post assessment)		0.00	0.00	
10.1	Amounts recoverable from reinsurers	27,051.93	0.00	27,051.93	31,287.05
10.2	Funds held by or deposited with reinsured companies		0.00	0.00	
11.1	Current federal income tax recoverable and interest thereon		0.00	0.00	680.00
11.2	Net deferred tax asset		0.00	0.00	
12	Electronic data processing equipment and software	0.00	0.00	0.00	28.74
13	Furniture and equipment	2,479.50	2,479.50	0.00	
14	Receivables from parent, subsidiaries and affiliates		0.00	0.00	
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00	0.00
16	Total Assets	948,007.39	2,479.50	945,527.89	883,071.70
	Details of Write-Ins for Assets:				
1501				0.00	
1502				0.00	
1503				0.00	
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00	0.00

ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION

2015

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	25,000.00	32,031.25
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents	18,553.50	18,581.64
4	Other expenses (excluding taxes, licenses and fees)	16,337.15	15,624.90
5	Taxes, licenses and fees (excluding federal income taxes)		
6	Current federal income taxes (including \$0 on realized capital gains (losses))	782.00	
7	Net deferred tax liability		
8	Borrowed money and interest thereon		
9	Unearned assessment/premium reserve	257,792.00	246,108.00
10	Advance premium		
11	Ceded reinsurance premiums payable	-5,183.43	8,071.06
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others		
14	Provision for unauthorized reinsurance		
15	Payable to parent, subsidiaries and affiliates		
16	Aggregate write-ins for liabilities	0.00	0.00
17	Total liabilities	313,281.22	320,416.85
18	Surplus as regards policyholders	632,246.67	562,654.85
19	Total liabilities and surplus	945,527.89	883,071.70
	Details of Write-Ins for Liabilities:		
1601			
1602			
1603			
1698	Summary or remaining write-ins from overflow page	0.00	0.00
1699	Total aggregate write-ins	0.00	0.00

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

2015

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	560,327.00	512,346.00
1.2	Less: Return Assessments/Premiums earned		
1.3	Direct Assessments/Premiums earned	560,327.00	512,346.00
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	275,864.27	267,733.15
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	
1.6	Net Assessments/Premiums earned	284,462.73	244,612.85
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	31,102.53	28,324.87
3	Loss expenses incurred (Expense Exhibit)	9,048.00	9,228.30
4	Other underwriting expenses incurred (Expense Exhibit)	201,806.25	198,803.63
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	241,956.78	236,356.80
7	Net underwriting gain (loss)	42,505.95	8,256.05
	INVESTMENT INCOME		
8	Net investment income earned	12,345.75	9,917.80
9	Net realized capital gains (losses) less capital gains tax		
10	Net investment gain (loss)	12,345.75	9,917.80
	OTHER INCOME		
11	Net gain (loss) from agents' or premium balances charged off		
12	Finance and service charges not included in premiums		
13	Aggregate write-ins for miscellaneous income	9,857.92	9,842.43
14	Total other income	9,857.92	9,842.43
15	Net income, after capital gains tax and before federal income taxes	64,709.62	28,016.28
16	Federal income taxes incurred	1,494.00	1,381.33
17	Net income	63,215.62	26,634.95
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	562,654.85	526,878.35
19	Net income	63,215.62	26,634.95
20	Change in net unrealized capital gains or (losses) less capital gains tax	5,608.35	8,761.14
21	Change in net deferred income tax		
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	767.85	380.41
23	Change in provision for reinsurance		
24	Aggregate write-ins for gains and losses in surplus	0.00	0.00
25	Change in surplus as regards policyholders for the year	69,591.82	35,776.50
26	Surplus as regards policyholders, December 31 current year	632,246.67	562,654.85
	DETAILS OF WRITE-INS		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301	RENT INCOME	2,652.00	2,652.00
1302	OTHER INCOME	7,205.92	7,190.43
1303			
1304			
1399	Total Aggregate write-ins for miscellaneous income	9,857.92	9,842.43
2401			
2402			
2499	Total Aggregate write-ins for gains and losses in surplus	0.00	0.00

ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION
CASH FLOW STATEMENT

2015

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	274,140.24	263,657.91
2	Net investment income	12,127.67	9,994.97
3	Miscellaneous income	9,857.92	9,842.43
4	Total	296,125.83	283,495.31
5	Benefit and loss related payments	33,898.66	14,623.04
6	Commissions, expenses paid and aggregate write-ins for deductions	210,170.14	205,609.73
7	Federal and foreign income taxes paid (recovered)	32.00	1,537.33
8	Total	244,100.80	221,770.10
9	Net cash from operations	52,025.03	61,725.21
Cash from Investments			
10	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		20,000.00
10.2	Stocks		
10.3	Real estate		
10.4	Net gains (losses) on cash, cash equivalents and short- term investments		
10.5	Miscellaneous proceeds		
10.6	Total investment proceeds	0.00	20,000.00
11	Cost of investments acquired (long-term only):		
11.1	Bonds	48,198.40	10,007.59
11.2	Stocks	31,126.80	20,172.24
11.3	Real estate		
11.4	Miscellaneous applications		
11.5	Total investments acquired	79,325.20	30,179.83
11.6	Net cash from investments	-79,325.20	-10,179.83
Cash from Financing and Miscellaneous Sources			
12.1	Borrowed funds (cash provided/applied)		
12.2	Other cash provided (applied)	796.59	1,589.69
13	Net cash from financing and miscellaneous sources	796.59	1,589.69
RECONCILLIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	-26,503.58	53,135.07
15.1	Beginning of year (cash, cash equivalents and short-term investments)	520,351.67	467,216.60
15.2	End of year (cash, cash equivalents and short-term investments)	493,848.09	520,351.67

ANNUAL STATEMENT FOR THE YEAR
NORTON MUTUAL FIRE ASSOCIATION

2015

EXPENSE EXHIBIT

		Current Year
	Claim Adjusting:	
1.1	Direct	
1.2	Reinsurance assumed	0.00
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
1.4	Net claim adjusting	0.00
	Commission and Brokerage:	
2.1	Direct commission and brokerage	69,687.18
2.2	Reinsurance assumed excluding contingent	0.00
2.3	Reinsurance ceded excluding contingent (commission and brokerage)	2,562.30
2.4	Contingent - direct (commission and brokerage)	0.00
2.5	Contingent - reinsurance assumed (commission and brokerage)	0.00
2.6	Contingent - reinsurance ceded (commission and brokerage)	25,032.18
2.7	Policy and membership fees (commission and brokerage)	0.00
2.8	Net commission and brokerage	42,092.70
3	Allowances to managers and agents	0.00
4	Advertising	2,652.61
5	Boards, bureaus and associations	7,527.09
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
	Salary and related items:	
8.1	Salaries	0.00
8.2	Payroll taxes	0.00
9	Employee relations and welfare	0.00
10	Insurance	5,073.25
11	Directors' fees	6,900.00
12	Travel and travel items	355.51
13	Rent and rent items	5,410.00
14	Equipment	3,872.55
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	5,343.74
17	Postage, telephone, exchange and express	4,678.67
18	Legal and auditing	15,455.74
19	Loss adjustment expenses	9,048.00
18	Investment expenses	0.00
19	Totals	66,317.16
	Taxes, licenses and fees:	
20.1	State and local insurance taxes	250.00
20.2	Insurance department licenses and fees	585.00
20.3	All other (excluding federal income and real estate)	0.00
20.4	Total taxes, licenses and fees	835.00
21	Real estate expenses	0.00
22	Real estate taxes	0.00
23	Aggregate write-ins for miscellaneous expenses	101,609.39
24	Total expenses incurred (a)	210,854.25
25	Less unpaid expenses - current year	34,890.65
26	Add unpaid expenses - prior year	34,206.54
27	Total expenses paid	210,170.14
	Details of Write-Ins:	
2301	CLERICAL	97,800.00
2302	UTILITIES	3,809.39
2303		
2304		
2305		
2399	Total Write-ins	101,609.39

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

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	66,256,542	717
2	Written during the year	15,918,534	157
3	Total	82,175,076	874
4	Deduct those expired and cancelled	15,688,460	171
5	In force December 31 of current year	66,486,616	703
6	Deduct amount reinsured	0	XXX
7	Net amount in force	66,486,616	XXX

UNDERWRITING EXHIBIT - PART 2
LOSSES INCURRED

1	2	3	4	5	6
Lines of Business	Direct Losses Incurred	Losses Incurred on Reinsurance Assumed	Deduct: Reinsurance Recovered on Incurred Losses	Deduct: Salvage and Subrogation Converted To Cash	* Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
PROPERTY	107,864.19		76,761.66		31,102.53
					-
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 107,864.19	\$ -	\$ 76,761.66	\$ -	\$ 31,102.53

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

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

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

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

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

EXHIBIT OF NONADMITTED ASSETS

		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1	Bonds			0.00
2	Preferred and common stocks and mutual funds			0.00
3	Real estate (less liens, encumbrances)			0.00
4	Cash			0.00
5	Short-term investments			0.00
6	Aggregate write-ins for invested assets			0.00
7	Subtotals, cash and invested assets	0.00	0.00	0.00
8	Investment income due and accrued			0.00
9.1	Assessments or premiums in the course of collection (including agents balances)			0.00
9.2	Premium receivable for advance pay			0.00
9.3	Earned but unbilled premiums (post assessment)			0.00
10.1	Amounts recoverable from reinsurers			0.00
10.2	Funds held by or deposited with reinsured companies			0.00
11.1	Current federal income tax recoverable and interest thereon			0.00
11.2	Net deferred tax asset			0.00
12	Electronic data processing equipment and software			0.00
13	Furniture and equipment	2,479.50	3,247.35	767.85
14	Receivables from parent, subsidiaries and affiliates			0.00
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00
16	Total Assets	2,479.50	3,247.35	767.85
	Details of Write-Ins for Assets:			
1501		0.00	0.00	0.00
1502		0.00	0.00	0.00
1503		0.00	0.00	0.00
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00

SCHEDULE A

Showing All Real Estate OWNED December 31 of Current Year

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

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

FURNITURE, FIXTURES and AUTOMOBILES

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

1	2	3	4	5	6	7	8
Description	Date Acquired	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	Book Value End of Current Year (Col. 4+5-6-7)
FURNITURE & FIXTURES	VARIOUS		12,826.92		12,826.92		-
CANVAS MURAL	2/8/2002		2,000.00				2,000.00
RCC SOFTWARE	1/19/2007		20,446.00		20,446.00		-
IBM TYPEWRITER	10/4/1994		997.98		997.98		-
DESKS	6/17/2009		1,370.00		890.50		479.50
							-
							-
PRINTERS AND COMPUTERS	VARIOUS		6,957.72		\$6,957.72		-
DELL COMPUTER	3/7/2005		1,134.78		1134.78		-
2 DELL COMPUTERS	5/6/2004		1,541.42		1,541.42		-
SERVER	1/19/2007		8,534.00		8,534.00		-
							-
							-
OVERFLOW AMOUNTS							-
Totals	XXX	XXX	\$ 55,808.82	\$ -	\$ 53,329.32	\$ -	\$ 2,479.50

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

* Annual Statement Value

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

12

Showing all Bonds and Preferred & Common Stocks ACQUIRED During the Current Year

[illegible]

13

SCHEDULE D - PART 4

Showing all Bonds and Preferred & Common Stocks **SOLD, REDEEMED OR** Otherwise **DISPOSED OF** During the Current Year

Bonds, preferred stocks, common stocks and mutual funds to be grouped separately.

[illegible]

REINSURANCE SCHEDULE

Reinsurance Ceded and Reinsurance Assumed

1	2	3	4	5	6	7	8
Reinsurer or Reinsured	Ceded or Assumed	Location of Company	Total Amount Reinsured	Total Premiums Ceded *	Total Premiums Assumed **	Largest Risk Ceded or Assumed	Remarks
GUY CARPENTER & CO	CEDED	PA		166,687.00			
GUY CARPENTER & CO	CEDED	PA		96,316.57			
GUY CARPENTER & CO	CEDED	PA		12,860.70			
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 275,864.27	\$ -	XXX	XXX

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

COMPENSATION SCHEDULE

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

1	2	3	4	5	6	7	8	9
Name of Payee	Title	Salaries	Commissions	Claim Adjustment Expenses	Directors Fees & Expenses	Travel & Travel Items	All Other	Total
Officers/Employees:								
CYNTHIA K KELLER	PRESIDENT				1,200.00			\$ 1,200.00
THOMAS HARNDEN	VICE PRESIDENT				900.00			\$ 900.00
DIANNE ANZALDI	SEC/TREAS				1,200.00			\$ 1,200.00
JULIE JUSTICE	ASST SEC		7,173.24					\$ 7,173.24
								\$ -
								\$ -
Directors:								
WAYNE AULT					900.00			\$ 900.00
EDWARD GRESSER					700.00			\$ 700.00
PATRICK NOVAK					500.00			\$ 500.00
JAMES CARPENTER					900.00			\$ 900.00
DAVID WEAVER					600.00			\$ 600.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ -	\$ 7,173.24	\$ -	\$ 6,900.00	\$ -	\$ -	\$ 14,073.24

GENERAL INTERROGATORIES

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

1. Company's retention:

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

1a. Retention before reinsurance applies for:

Catastrophe Reinsurance\$10,000Aggregate excess of loss

2. What is the largest risk assumed and retained:

\$45,000

3. What kind of perils are being covered?

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

LOSS OF RENTS

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

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

N/A

5. In what counties does the Company operate:

STATE OF OHIO

6. Name of Principal Officer and amount of bond.

CYNTHIA K KELLER \$25,000

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

YesXNo

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

DIANNE ANZALDI \$25,000

JULIE JUSTICE \$25,000

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

YES

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

703

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

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

Yes

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

12/31/2012

12. How many assessments were made during the year?

NONEDate of last assessment

N/A

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

N/A

14. Rate of policy fee

\$30.00

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

NONEinterest thereon

NONE

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

YesNoX

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

2015

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

[illegible]

16