



ANNUAL STATEMENT
For the Year Ended DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF THE
CENTRAL MUTUAL INSURANCE COMPANY

NAIC Group Code	0036 (Current Period)	0036 (Prior Period)	NAIC Company Code	20230	Employer's ID Number	34-4202560
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States of America					
Incorporated/Organized	04/17/1876		Commenced Business		10/02/1876	
Statutory Home Office	800 SOUTH WASHINGTON STREET (Street and Number)		VAN WERT, OH, US 45891-2357 (City or Town, State, Country and Zip Code)			
Main Administrative Office	800 SOUTH WASHINGTON STREET (Street and Number)		VAN WERT, OH, US 45891-2357 (City or Town, State, Country and Zip Code)		(419)238-1010 (Area Code) (Telephone Number)	
Mail Address	P.O. BOX 351 (Street and Number or P.O. Box)		VAN WERT, OH, US 45891-0351 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	800 SOUTH WASHINGTON STREET (Street and Number)		VAN WERT, OH, US 45891-2357 (City or Town, State, Country and Zip Code)		(419)238-1010 (Area Code) (Telephone Number)	
Statutory Statement Contact	THAD RYAN EIKENBARY (Name)		TEIKENBARY@CENTRAL-INSURANCE.COM (E-Mail Address)		(419)238-5551-2437 (Area Code)(Telephone Number)(Extension)	
					(419)238-7626 (Fax Number)	

OFFICERS

Name	Title
FRANCIS WALWORTH PURMORT III	PRESIDENT
STEPHEN KEITH MOORE	SECRETARY
THAD RYAN EIKENBARY	TREASURER

OTHERS

JAMES FREDERICK GLASSER, VICE PRESIDENT
 CYNTHIA MARIE HURLESS, VICE PRESIDENT
 TIMOTHY LEE RAUCH, VICE PRESIDENT
 JOHN EWING WHITE, SR. VICE PRESIDENT

TRINTIN CHAD GLEN, CHIEF ACTUARY
 PATRICK JOHN JACKSON, VICE PRESIDENT
 JANA LOU RINGWALD, VICE PRESIDENT

DIRECTORS OR TRUSTEES

EDWARD RAY BUHL
 STEPHEN KEITH MOORE
 DENNIS DALE STRIPE #

THOMAS B KEARNEY
 FRANCIS WALWORTH PURMORT III

State of Ohio
 County of Van Wert ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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.

(Signature)
 FRANCIS WALWORTH PURMORT III
 (Printed Name)
 1.
 PRESIDENT
 (Title)

(Signature)
 STEPHEN KEITH MOORE
 (Printed Name)
 2.
 SECRETARY
 (Title)

(Signature)
 THAD RYAN EIKENBARY
 (Printed Name)
 3.
 TREASURER
 (Title)

Subscribed and sworn to before me this
 18th day of February, 2016

a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	750,845,499		750,845,499	695,609,918
2. Stocks (Schedule D)				
2.1 Preferred stocks	39,459,864		39,459,864	38,092,466
2.2 Common Stocks	376,842,304	2,319,174	374,523,130	353,605,060
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	43,962,876	20,931	43,941,945	45,527,211
4.2 Properties held for the production of income (less \$.....0 encumbrances)	309,793		309,793	321,115
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$....(15,732,932), Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$....48,278,124, Schedule DA)	32,545,193		32,545,193	35,039,404
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)			44	58
8. Other invested assets (Schedule BA)	44		44	58
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,243,965,573	2,340,105	1,241,625,468	1,168,195,233
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	17,112,503		17,112,503	15,733,318
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	28,358,810	351,865	28,006,945	26,018,564
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....156,868 earned but unbilled premiums)	125,401,329	18,900	125,382,429	114,739,863
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,548,423		1,548,423	510,084
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	5,040,000		5,040,000	5,040,000
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	48,472,366	18,110,012	30,362,354	27,243,551
19. Guaranty funds receivable or on deposit	104,839		104,839	120,545
20. Electronic data processing equipment and software	6,483,529	6,177,202	306,327	371,890
21. Furniture and equipment, including health care delivery assets (\$.....0)	972,384	972,384		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	1,694,321	200	1,694,121	1,584,393
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,479,154,076	27,970,668	1,451,183,408	1,359,557,442
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	1,479,154,076	27,970,668	1,451,183,408	1,359,557,442
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. PERMANENT TRAVEL ADVANCES	200	200		
2502. PREPAID PENSION BENEFIT COSTS	9,203,372		9,203,372	12,714,743
2503. OVERFUNDING PENSION ASSETS	(9,203,372)		(9,203,372)	(12,714,743)
2598. Summary of remaining write-ins for Line 25 from overflow page	1,694,121		1,694,121	1,584,393
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,694,321	200	1,694,121	1,584,393

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	260,050,327	262,107,653
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	101,216,734	98,952,782
4.	Commissions payable, contingent commissions and other similar charges	17,723,404	14,208,023
5.	Other expenses (excluding taxes, licenses and fees)	36,560,377	34,092,159
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	5,455,763	4,846,905
7.1	Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))	3,448,717	7,999,561
7.2	Net deferred tax liability		
8.	Borrowed money \$.....0 and interest thereon \$.....0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....57,350,284 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)	263,403,060	243,008,615
10.	Advance premiums	3,555,739	3,342,296
11.	Dividends declared and unpaid:		
11.1	Stockholders		
11.2	Policyholders	290,697	257,688
12.	Ceded reinsurance premiums payable (net of ceding commissions)	4,165,044	4,799,188
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	12,203,378	10,712,912
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	2,251,184	2,068,091
20.	Derivatives		877,255
21.	Payable for securities	2,391,934	1,060,410
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes \$.....0 and interest thereon \$.....0		
25.	Aggregate write-ins for liabilities	32,664,931	31,127,890
26.	TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	745,381,290	719,461,428
27.	Protected cell liabilities		
28.	TOTAL Liabilities (Lines 26 and 27)	745,381,290	719,461,428
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	705,802,121	640,096,008
36.	Less treasury stock, at cost:		
36.1	.....0 shares common (value included in Line 30 \$.....0)		
36.2	.....0 shares preferred (value included in Line 31 \$.....0)		
37.	Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	705,802,121	640,096,008
38.	TOTALS (Page 2, Line 28, Column 3)	1,451,183,411	1,359,557,436
DETAILS OF WRITE-INS			
2501.	Reserve for Bad Faith Claims	100,097	100,097
2502.	Reserve for Escheats	1,476,417	1,532,734
2503.	Reserve - Pension Plan Benefits	30,503,209	29,495,060
2598.	Summary of remaining write-ins for Line 25 from overflow page	585,209	
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	32,664,931	31,127,890
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE CENTRAL MUTUAL INSURANCE COMPANY
STATEMENT OF INCOME

		1 Current Year	2 Prior Year
UNDERWRITING INCOME			
1. Premiums earned (Part 1, Line 35, Column 4)		467,598,885	427,961,255
DEDUCTIONS			
2. Losses incurred (Part 2, Line 35, Column 7)		234,552,488	230,133,163
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		35,928,538	25,968,344
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)		163,911,524	144,747,133
5. Aggregate write-ins for underwriting deductions			
6. TOTAL Underwriting Deductions (Lines 2 through 5)		434,392,549	400,848,640
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)		33,206,336	27,112,615
INVESTMENT INCOME			
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		34,464,709	31,352,912
10. Net realized capital gains (losses) less capital gains tax of \$.....764,949 (Exhibit of Capital Gains (Losses))		1,420,621	1,646,030
11. Net investment gain or (loss) (Lines 9 + 10)		35,885,330	32,998,942
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....342,942)		(342,942)	(476,728)
13. Finance and service charges not included in premiums		2,115,717	2,146,920
14. Aggregate write-ins for miscellaneous income		561,439	602,073
15. TOTAL Other Income (Lines 12 through 14)		2,334,215	2,272,265
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)		71,425,880	62,383,823
17. Dividends to policyholders		448,835	395,725
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)		70,977,046	61,988,098
19. Federal and foreign income taxes incurred		13,941,700	11,548,798
20. Net income (Line 18 minus Line 19) (to Line 22)		57,035,346	50,439,300
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)		640,095,820	619,409,659
22. Net income (from Line 20)		57,035,346	50,439,300
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....805,102		1,495,189	15,092,755
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax		(2,122,966)	18,785,460
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)		5,984,545	(17,275,899)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)			
37. Aggregate write-ins for gains and losses in surplus		3,313,989	(46,355,455)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)		65,706,103	20,686,160
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)		705,801,923	640,095,820
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous Income		561,439	602,073
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		561,439	602,073
3701. Gains and Losses in Surplus (SSAP's 92 & 102)		3,313,989	(46,355,455)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		3,313,989	(46,355,455)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE **CENTRAL MUTUAL INSURANCE COMPANY**
CASH FLOW

		1 Current Year	2 Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	474,851,046	433,435,355
2.	Net investment income	37,561,134	35,585,057
3.	Miscellaneous income	2,311,290	2,272,265
4.	TOTAL (Lines 1 through 3)	514,723,469	471,292,677
5.	Benefit and loss related payments	237,648,149	227,375,570
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	190,152,358	173,028,533
8.	Dividends paid to policyholders	415,825	411,687
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	19,257,493	4,802,008
10.	TOTAL (Lines 5 through 9)	447,473,826	405,617,797
11.	Net cash from operations (Line 4 minus Line 10)	67,249,643	65,674,880
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	131,319,016	89,106,092
12.2	Stocks	45,559,719	21,963,258
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	4,297,197	871,059
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	181,175,933	111,940,408
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	189,002,047	116,057,292
13.2	Stocks	64,178,850	51,667,255
13.3	Mortgage loans		
13.4	Real estate	68,370	174,801
13.5	Other invested assets		
13.6	Miscellaneous applications	2,799,608	73,664
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	256,048,874	168,890,189
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(74,872,942)	(56,949,781)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	5,129,086	5,218,041
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	5,129,086	5,218,041
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,494,212)	13,943,141
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	35,039,405	21,096,265
19.2	End of year (Line 18 plus Line 19.1)	32,545,194	35,039,405

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire	7,001,689	3,785,927	3,745,550	7,042,066
2. Allied lines	7,927,283	4,508,780	4,676,695	7,759,368
3. Farmowners multiple peril				
4. Homeowners multiple peril	120,617,416	62,884,055	67,424,851	116,076,620
5. Commercial multiple peril	100,626,816	51,124,447	56,178,321	95,572,941
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	12,957,267	5,710,730	6,586,788	12,081,209
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	1,408,784	701,401	770,401	1,339,784
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation	10,457,980	5,376,438	5,516,062	10,318,355
17.1 Other liability - occurrence	20,815,359	12,309,514	13,478,676	19,646,198
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence	14,512,093	6,984,940	6,923,043	14,573,990
18.2 Products liability - claims-made				
19.1 19.2 Private passenger auto liability	88,629,584	42,645,405	45,538,978	85,736,012
19.3 19.4 Commercial auto liability	26,956,035	11,516,108	13,555,444	24,916,699
21. Auto physical damage	76,048,199	35,246,798	38,802,420	72,492,577
22. Aircraft (all perils)				
23. Fidelity	20,386	17,254	9,038	28,603
24. Surety	1,339	497	471	1,366
26. Burglary and theft	13,127	8,587	7,810	13,903
27. Boiler and machinery	(28)	(1,261)	(484)	(805)
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	487,993,328	242,819,620	263,214,063	467,598,885
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	3,934,547		(188,997)		3,745,550
2. Allied lines	4,676,695				4,676,695
3. Farmowners multiple peril					
4. Homeowners multiple peril	67,424,851				67,424,851
5. Commercial multiple peril	56,178,321				56,178,321
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	6,586,788				6,586,788
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	770,401				770,401
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	5,516,062				5,516,062
17.1 Other liability - occurrence	13,478,676				13,478,676
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence	6,923,043				6,923,043
18.2 Products liability - claims-made					
19.1 19.2 Private passenger auto liability	45,538,978				45,538,978
19.3 19.4 Commercial auto liability	13,555,444				13,555,444
21. Auto physical damage	38,802,420				38,802,420
22. Aircraft (all perils)					
23. Fidelity	9,038				9,038
24. Surety	471				471
26. Burglary and theft	7,810				7,810
27. Boiler and machinery	(484)				(484)
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	263,403,060		(188,997)		263,214,063
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					188,997
38. Balance (Sum of Lines 35 through 37)					263,403,060
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case: Monthly Pro-Rata Method

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	9,185,465	17,929	26,432	1,333,655	894,482	7,001,689
2. Allied lines	10,825,214	44,155	220,440	1,509,959	1,652,567	7,927,283
3. Farmowners multiple peril						
4. Homeowners multiple peril	154,563,965		501,799	22,974,746	11,473,602	120,617,416
5. Commercial multiple peril	119,670,015	22,371,317		19,167,013	22,247,504	100,626,816
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	15,685,673	22,024		2,468,051	282,379	12,957,267
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	1,761,957	2,812		268,340	87,646	1,408,784
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	9,317,817	3,567,342	1,060,946	1,991,996	1,496,129	10,457,980
17.1 Other liability - occurrence	32,014,904	28,306		3,964,830	7,263,021	20,815,359
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence	15,276,912	2,046,295		2,764,208	46,907	14,512,093
18.2 Products liability - claims-made						
19.1 19.2 Private passenger auto liability	108,200,597			16,881,826	2,689,186	88,629,584
19.3 19.4 Commercial auto liability	23,978,122	8,416,462	277,890	5,134,483	581,956	26,956,035
21. Auto physical damage	87,226,713	3,554,930	90,147	14,485,371	338,220	76,048,199
22. Aircraft (all perils)						
23. Fidelity	23,414	903		3,883	47	20,386
24. Surety	1,597			255	3	1,339
26. Burglary and theft	17,063			2,500	1,435	13,127
27. Boiler and machinery	422,048			(5)	422,082	(28)
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	XXX					
32. Reinsurance-Nonproportional Assumed Liability	XXX					
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	588,171,476	40,072,475	2,177,654	92,951,111	49,477,165	487,993,328

DETAILS OF WRITE-INS

3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)						

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

If yes, (1) The amount of such installment premiums \$.....0.

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire	3,195,200	15,108	801,337	2,408,971	865,168	715,979	2,558,161	36.33
2. Allied lines	5,652,914	98,508	1,060,803	4,690,619	2,530,028	2,121,012	5,099,635	65.72
3. Farmowners multiple peril								
4. Homeowners multiple peril	74,471,636	215,051	12,353,312	62,333,375	20,216,292	16,764,083	65,785,584	56.67
5. Commercial multiple peril	45,771,830	4,777,801	10,900,886	39,648,745	51,351,800	50,153,402	40,847,143	42.74
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	3,913,223	(2,120)	625,173	3,285,930	1,153,789	1,349,508	3,090,211	25.58
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake	2,292		367	1,925	4		1,930	0.14
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	6,625,068	2,529,291	2,640,404	6,513,955	54,352,619	59,852,836	1,013,737	9.82
17.1 Other liability - occurrence	5,002,154	4,477	1,455,410	3,551,221	19,607,799	19,559,036	3,599,983	18.32
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence	3,035,271	1,169,937	672,950	3,532,258	30,484,917	29,965,172	4,052,004	27.80
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability	63,720,250	(15,664)	10,720,618	52,983,969	54,701,606	58,170,062	49,515,512	57.75
19.3 19.4 Commercial auto liability	7,434,801	4,362,100	1,791,251	10,005,651	21,712,605	19,902,493	11,815,762	47.42
21. Auto physical damage	54,472,487	2,114,264	8,931,051	47,655,700	3,073,698	3,554,070	47,175,328	65.08
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft			0	0			0	0.00
27. Boiler and machinery	19,127		21,631	(2,504)			(2,504)	310.98
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	X X X							
32. Reinsurance-Nonproportional Assumed Liability	X X X							
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	273,316,253	15,268,752	51,975,191	236,609,814	260,050,327	262,107,653	234,552,488	50.16
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	403,980	2,709	84,883	321,806	787,481	3,562	247,681	865,168	191,574
2. Allied Lines	779,186	272,676	258,139	793,722	3,717,277	24,584	2,005,555	2,530,028	454,098
3. Farmowners multiple peril									
4. Homeowners multiple peril	14,717,860	46,132	2,762,902	12,001,090	12,314,612		4,099,409	20,216,292	5,299,934
5. Commercial multiple peril	28,940,488	11,089,046	10,348,144	29,681,389	27,176,541	4,902,894	10,409,024	51,351,800	27,259,226
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	312,727			50,036	262,691	1,507,320	2,552	618,774	1,153,789
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake		5		1	4				4
13. Group accident & health								(a)	
14. Credit accident & health (group & individual)									
15. Other accident & health								(a)	
16. Workers' compensation	25,760,124	14,890,599	15,094,545	25,556,178	28,948,011	9,940,436	10,092,005	54,352,619	12,421,419
17.1 Other liability - occurrence	17,027,711	51,000	7,898,414	9,180,296	23,071,948	58,236	12,702,682	19,607,799	5,578,668
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence	10,780,882	2,347,946	2,112,708	11,016,119	22,812,251	3,427,417	6,770,870	30,484,917	30,755,943
18.2 Products liability - claims-made									
19.1 19.2 Private passenger auto liability	50,598,528			9,379,489	41,219,039	16,624,504	49	3,141,986	54,701,606
19.3 19.4 Commercial auto liability	11,106,126	7,394,690	3,692,758	14,808,058	6,201,254	2,544,538	1,841,245	21,712,605	5,130,437
21. Auto physical damage	2,939,416	720,908	786,899	2,873,426	199,056	59,358	58,141	3,073,698	1,333,649
22. Aircraft (all perils)									
23. Fidelity									6
24. Surety									
26. Burglary and theft									
27. Boiler and machinery		54,710		54,710					2,155
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	163,421,742	36,815,706	52,523,629	147,713,818	143,360,255	20,963,626	51,987,372	260,050,327	101,216,734
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	20,351,945			20,351,945
1.2 Reinsurance assumed	2,988,478			2,988,478
1.3 Reinsurance ceded	3,827,255			3,827,255
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	19,513,168			19,513,168
2. Commission and brokerage:				
2.1 Direct, excluding contingent		95,071,942		95,071,942
2.2 Reinsurance assumed, excluding contingent		5,865,047		5,865,047
2.3 Reinsurance ceded, excluding contingent		19,321,320		19,321,320
2.4 Contingent - direct		12,627,997		12,627,997
2.5 Contingent - reinsurance assumed		801,943		801,943
2.6 Contingent - reinsurance ceded		2,394,358		2,394,358
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		92,651,251		92,651,251
3. Allowances to manager and agents		639,400		639,400
4. Advertising		101,197		101,197
5. Boards, bureaus and associations	56,748	2,450,997		2,507,745
6. Surveys and underwriting reports		5,151,486		5,151,486
7. Audit of assureds' records		195,999		195,999
8. Salary and related items:				
8.1 Salaries	8,226,138	22,217,725	833,832	31,277,695
8.2 Payroll taxes	603,557	1,514,011	60,155	2,177,723
9. Employee relations and welfare	4,024,220	11,832,119	479,395	16,335,734
10. Insurance	156,524	434,472	17,338	608,334
11. Directors' fees	27,903	77,451	3,091	108,444
12. Travel and travel items	408,325	2,337,259	35,996	2,781,580
13. Rent and rent items	693,751	2,232,603	167,420	3,093,773
14. Equipment	938,031	3,188,682	129,283	4,255,996
15. Cost or depreciation of EDP equipment and software	463,816	1,287,436	51,375	1,802,626
16. Printing and stationery	36,482	277,328	76,288	390,098
17. Postage, telephone and telegraph, exchange and express	764,554	2,135,299	76,453	2,976,305
18. Legal and auditing	43,776	381,464	13,668	438,909
19. TOTALS (Lines 3 to 18)	16,443,825	56,454,927	1,944,294	74,843,046
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0		13,455,694		13,455,694
20.2 Insurance department licenses and fees		540,109		540,109
20.3 Gross guaranty association assessments		25,678		25,678
20.4 All other (excluding federal and foreign income and real estate)		5,883		5,883
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		14,027,365		14,027,365
21. Real estate expenses			972,496	972,496
22. Real estate taxes			286,996	286,996
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	(28,455)	777,980	(3,272)	746,253
25. TOTAL expenses incurred	35,928,538	163,911,524	3,200,513	(a) 203,040,574
26. Less unpaid expenses - current year	101,216,734	59,444,014	295,530	160,956,278
27. Add unpaid expenses - prior year	98,952,781	49,990,596	300,350	149,243,727
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	33,664,585	154,458,106	3,205,333	191,328,023

DETAILS OF WRITE-INS

2401. Miscellaneous Expenses	(28,455)	560,598	(3,272)	528,871
2402. Donations		217,382		217,382
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	(28,455)	777,980	(3,272)	746,253

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	709,528	642,885
1.1 Bonds exempt from U.S. tax	(a)	17,886,164	15,383,539
1.2 Other bonds (unaffiliated)	(a)	9,847,759	9,600,802
1.3 Bonds of affiliates	(a)		
2.1 Preferred stocks (unaffiliated)	(b)	2,341,077	2,325,281
2.11 Preferred stocks of affiliates	(b)		
2.2 Common stocks (unaffiliated)		7,337,614	7,462,160
2.21 Common stocks of affiliates			
3. Mortgage loans	(c)		
4. Real estate	(d)	2,486,645	2,486,645
5. Contract loans			
6. Cash, cash equivalents and short-term investments	(e)	32,992	36,439
7. Derivative instruments	(f)		
8. Other invested assets			
9. Aggregate write-ins for investment income		124,687	1,371,499
10. TOTAL Gross investment income		40,766,466	39,309,250
11. Investment expenses	(g)	2,913,517	
12. Investment taxes, licenses and fees, excluding federal income taxes	(g)	286,996	
13. Interest expense	(h)		
14. Depreciation on real estate and other invested assets	(i)	1,644,028	
15. Aggregate write-ins for deductions from investment income			
16. TOTAL Deductions (Lines 11 through 15)			4,844,541
17. Net Investment income (Line 10 minus Line 16)			34,464,709
DETAILS OF WRITE-INS			
0901. INTEREST EARNED FROM STOP LOSS			1,246,812
0902. MISC INTEREST RECD		124,687	124,687
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		124,687	1,371,499
1501.			
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)			

(a) Includes \$.....162,544 accrual of discount less \$.....2,973,826 amortization of premium and less \$.....20,905 paid for accrued interest on purchases.
 (b) Includes \$.....14,705 accrual of discount less \$.....39,818 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....2,486,645 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$.....1,644,028 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	962		962		
1.1 Bonds exempt from U.S. tax	109,718		109,718		
1.2 Other bonds (unaffiliated)	253,155		253,155		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	155,729		155,729		
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	1,807,864		1,807,864	(9,539,438)	
2.21 Common stocks of affiliates				11,262,627	
3. Mortgage loans					
4. Real estate	(22,924)		(22,924)		
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments	(118,934)		(118,934)	577,046	
8. Other invested assets		(2)	(2)		(2)
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	2,185,570	(2)	2,185,568	2,300,233	

DETAILS OF WRITE-INS

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	.....	.....	.....
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.....	.....	.....
2.2 Common stocks .....	..... 2,319,174	..... 2,323,787	..... 4,613
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.....	.....	.....
3.2 Other than first liens .....	.....	.....	.....
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	..... 20,931	.....	..... (20,931)
4.2 Properties held for the production of income .....	.....	.....	.....
4.3 Properties held for sale .....	.....	.....	.....
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....	.....	.....	.....
6. Contract loans .....	.....	.....	.....
7. Derivatives (Schedule DB) .....	.....	.....	.....
8. Other invested assets (Schedule BA) .....	.....	.....	.....
9. Receivables for securities .....	.....	.....	.....
10. Securities lending reinvested collateral assets (Schedule DL) .....	.....	.....	.....
11. Aggregate write-ins for invested assets .....	.....	.....	.....
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	..... 2,340,105	..... 2,323,787	..... (16,318)
13. Title plants (for Title insurers only) .....	.....	.....	.....
14. Invested income due and accrued .....	.....	.....	.....
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	..... 351,865	..... 261,378	..... (90,487)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	..... 18,900	..... 18,900	.....
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	.....	.....	.....
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.....	.....	.....
16.2 Funds held by or deposited with reinsured companies .....	.....	.....	.....
16.3 Other amounts receivable under reinsurance contracts .....	.....	.....	.....
17. Amounts receivable relating to uninsured plans .....	.....	.....	.....
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.....	.....	.....
18.2 Net deferred tax asset .....	..... 18,110,012	..... 24,156,883	..... 6,046,871
19. Guaranty funds receivable or on deposit .....	.....	.....	.....
20. Electronic data processing equipment and software .....	..... 6,177,202	..... 6,701,687	..... 524,485
21. Furniture and equipment, including health care delivery assets .....	..... 972,384	..... 492,328	..... (480,056)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.....	.....	.....
23. Receivables from parent, subsidiaries and affiliates .....	.....	.....	.....
24. Health care and other amounts receivable .....	.....	.....	.....
25. Aggregate write-ins for other than invested assets .....	..... 200	..... 250	..... 50
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	..... 27,970,668	..... 33,955,213	..... 5,984,545
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....	.....
28. TOTAL (Lines 26 and 27) .....	..... 27,970,668	..... 33,955,213	..... 5,984,545
DETAILS OF WRITE-INS			
1101. .....	.....	.....	.....
1102. .....	.....	.....	.....
1103. .....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.....	.....	.....
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.....	.....	.....
2501. PERMANENT TRAVEL ADVANCES .....	..... 200	..... 250	..... 50
2502. PREPAID PENSION BENEFIT COSTS .....	.....	.....	.....
2503. OVERFUNDED PENSION ASSETS .....	.....	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	..... 200	..... 250	..... 50

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Central Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department 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 solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual - Version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices.

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

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

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

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

In addition, Central Mutual Insurance Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common stocks are stated at market value except investments in stocks of uncombined subsidiaries and affiliates in which Central Mutual Insurance Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated at market value except qualified sinking fund preferreds which are stated at amortized cost.
- (5) Central Mutual Insurance Company has no mortgage loans on real estate.
- (6) Loan-backed securities are stated at amortized cost. Prepayment assumptions for loan-backed bonds and structured securities are obtained from dealer surveys. These assumptions are consistent with the current interest rate and economic environment. The prospective adjustment method is used to value these securities.
- (7) Central Mutual Insurance Company owns 100% of the common stock of All America Insurance Company, a property and casualty insurance company. Central Mutual Insurance Company owns 100% of Security Central, a holding company. Stocks held in all subsidiaries are carried at their Admitted Asset Equivalent.
- (8) Central Mutual Insurance Company has minor ownership interest in a limited liability company. The company carries this interest based upon the underlying audited GAAP equity of the investee.
- (9) Central Mutual Insurance Company's derivatives are carried at fair market value (marked-to-market monthly) on Schedule DB. An unrealized gain or loss is incurred monthly as a result. Derivatives in which the positions are closed (expire, purchased, or exercised) incur a realized gain or loss.
- (10) Central Mutual Insurance Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) There was no change in the capitalization policy or the resultant predefined thresholds from the prior period.
- (13) Central Mutual Insurance Company has no pharmaceutical rebate receivables.

D. Going Concern

- (1)
 - a. No principal conditions or events have occurred to raise substantial doubt about Central Mutual's ability to continue as a going concern.
 - b. N/A
 - c. N/A
- (2) N/A
- (3) N/A
- (4) N/A

2. Accounting Changes and Correction of Errors

Changes in accounting principle and/or correction of errors – NONE

3. Business Combinations and Goodwill

Central Mutual Insurance Company has not purchased or merged with another entity during the prior two years. No goodwill is recorded in the company's assets.

4. Discontinued Operations

- A. Discontinued Operation or Classified as Held for Sale – NONE
- B. Change in Plan of Sale of Discontinued Operation – NONE
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal – NONE

Notes to Financial Statements

D. Equity Interest Retained in the Discontinued Operation After Disposal - NONE

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - NONE

B. Debt Restructuring - NONE

C. Reverse Mortgages - NONE

D. Loan-Backed Securities:

1. Prepayment assumptions for loan-backed securities and structured securities were obtained from the amortization schedule contained in the official statement. These are based on scheduled loan payments.

2. NONE

3. NONE

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss:

a. The aggregate amount of unrealized losses:

1. Less than 12 months \$27,357

2. 12 Months or Longer \$0

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

1. Less than 12 months \$972,643

2. 12 Months or Longer \$0

5. The security does not meet the criteria per the Company's OTTI procedure to be classified as "other than temporarily impaired".

E. Repurchase Agreements and/or Securities Lending Transactions - NONE

F. Real Estate – NO TRANSACTIONS TO REPORT

G. Investments in low-income housing tax credits (LIHTC) – NONE

H. Restricted Assets:

1. Restricted Assets (including Pledg	1	2	3	4	5	6	7	8	9	10
	Total General Account	G/A Supporting Protected Cell Acct (a)	Total Protected Cell Account	Protected Cell Account (b)	Total (Col. 1+ Col. 3)	Total From Prior Year	Increase/(Decrease) (Col. 5 - Col. 6)	Total Current Year Admitt Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
J. On deposit with states	5,939,714				5,939,714	5,705,884	233,830	5,939,714	0.45	0.45

I. Working Capital Finance Investments - NONE

J. Offsetting and Netting of Assets and Liabilities - NONE

K. Structured Notes - NONE

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Central Mutual Insurance Company has no investments in Joint Ventures, Partnerships or Limited Liability companies that exceed 10% of admitted assets.

B. Consumer Agent Portal (CAP) is an LLC formed through an alliance of the IIABA, Trusted Choice, state associations, and insurance carriers, of which Central Mutual Insurance Company is one. The investment is carried on Schedule BA, Other Invested Assets, and valued at book value per CAP financial statements. Due to initial start-up costs, as well as investments in infrastructure and other project costs, the value of the investment has met the criteria of the Company's OTTI procedure, and has subsequently been written down entirely. The current statement value of the investment is zero (\$0). Central Mutual Insurance Company has invested \$6.607 million in Project CAP since its inception, which has been written down in full. No additional write downs were taken in 2015.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

All income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. No amount was excluded.

8. Derivative Instruments

Central Mutual Insurance Company's derivatives transacted in 2015 included both covered calls and stock warrants. Both would be subject to market risk, specifically, equity risk, as stock prices or implied volatility of the underlying securities change. These derivatives should have no credit risk. Cash requirements would be minimal, since the vast majority of options written are the sale of covered calls, which is a cash inflow. The warrants would entail cash outflows, but are minimal.

The derivatives are written for income generation purposes. The sale of these covered calls, on only a portion of our equity holdings, is to allow some appreciation on the underlying stock, and to recognize a realized gain if the calls are exercised. The covered calls may be purchased back if fundamental changes occur in the stock, and it is advantageous to do so and roll to a higher strike price.

All derivatives are carried at fair market value (marked-to-market monthly) on Schedule DB. An unrealized gain or loss is incurred monthly as a result. Derivatives in which the positions are closed (expire, purchased, or exercised) incur a realized gain or loss.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE **CENTRAL MUTUAL INSURANCE COMPANY**
Notes to Financial Statements

9. Income Taxes

CENTRAL MUTUAL INSURANCE COMPANY
Income Tax Disclosures Required under SSAP 101
AS OF DECEMBER 31, 2015

Note 9 - Income Taxes

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

1.

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	70,551,659	4,628,571	75,180,230	77,065,611	4,628,571	81,694,182	(6,513,952)	0	(6,513,952)
(b) Statutory valuation allowance adjustments	0	0	0	0	0	0	0	0	0
(c) Adjusted gross deferred tax assets (a1- 1b)	70,551,659	4,628,571	75,180,230	77,065,611	4,628,571	81,694,182	(6,513,952)	0	(6,513,952)
(d) Deferred Tax Assets Nonadmitted	18,110,012	0	18,110,012	23,976,798	0	23,976,798	(5,866,786)	0	(5,866,786)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	52,441,647	4,628,571	57,070,218	53,088,813	4,628,571	57,717,384	(647,166)	0	(647,166)
(f) Deferred Tax Liabilities	1,173,399	25,534,465	26,707,864	1,143,161	28,868,725	30,011,886	30,239	(3,334,260)	(3,304,021)
(g) Net admitted deferred tax asset/(Net Deferred Tax Liability) (1e - 1f)	51,268,248	(20,905,894)	30,362,354	51,945,653	(24,240,154)	27,705,499	(677,405)	3,334,260	2,656,855

2.

SSAP 101, paragraphs 11.a., 11.b., and 11.c.:	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	27,496,556	0	27,496,556	0	0	0	27,496,556	0	27,496,556
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)(1) and 2(b)(2) Below)	2,603,298	262,500	2,865,798	23,076,927	4,628,571	27,705,498	(20,473,629)	(4,366,071)	(24,839,700)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	2,603,298	262,500	2,865,798	23,076,927	4,628,571	27,705,498	(20,473,629)	(4,366,071)	(24,839,700)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	94,625,805	XXX	XXX	91,872,085	XXX	XXX	2,753,720
(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	22,341,793	4,366,071	26,707,864	30,011,886	0	30,011,886	(7,670,093)	4,366,071	(3,304,021)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	52,441,647	4,628,571	57,070,218	53,088,813	4,628,571	57,717,384	(647,166)	0	(647,166)

3.

	2015 Percentage	2014 Percentage
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	970%	1015%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	585,538,088	612,480,567

4.

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Impact of Tax Planning Strategies									
(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0.0%	6.2%	6.2%	0.0%	5.7%	5.7%	0.0%	0.5%	0.5%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0.0%	15.2%	15.2%	0.0%	16.7%	16.7%	0.0%	-1.5%	-1.5%
(c) Does the Company's tax-planning strategies include the use of reinsurance?	Yes	No	X						

B. Unrecognized DTLs

Not applicable

Notes to Financial Statements

CENTRAL MUTUAL INSURANCE COMPANY
Income Tax Disclosures Required under SSAP 101
AS OF DECEMBER 31, 2015

Note 9 - Income Taxes (continued)

C. Current Tax and Change in Deferred Tax

1. Current income tax

	2015	2014	Change
(a) Federal	12,193,743	11,548,798	644,945
(b) Foreign	142,550	0	142,550
(c) Subtotal	12,336,293	11,548,798	787,495
(d) Federal income tax on net capital gains	1,957,831	886,323	1,071,508
(e) Utilization of capital loss carryforward	0	0	0
(f) Other	0	0	0
Federal and foreign income taxes incurred	14,294,124	12,435,121	1,859,003

2. Deferred income tax

	2015	2014	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	6,907,999	9,616,402	(2,708,403)
(2) Unearned premium reserve	18,689,491	17,244,564	1,444,927
(3) Non-Qualifying Pension	2,767,979	2,352,618	415,361
(4) SPP Equalization Plan	913,860	876,801	37,059
(5) Post Retirement Expenses	14,954,532	13,544,999	1,409,533
(6) Charitable Contribution Deduction Carryforward	0	0	0
(7) AMT Tax Carryforward Consolidated	13,002,156	20,490,866	(7,488,710)
(8) Pension Accrual	10,676,123	10,323,271	352,852
(9) Net operating loss carry-forward	0	0	0
(10) Tax credit carry-forward			0
(11) Other (including items <5% of total ordinary tax assets)			0
(12) Other assets - nonadmitted			0
(99) Subtotal	70,551,659	77,065,611	(6,513,952)
(b) Statutory valuation allowance adjustment			0
(c) Nonadmitted	18,110,012	23,976,798	(5,866,786)
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	52,441,647	53,088,813	(647,166)
(e) Capital			
(1) Investments - Other than temporary impairments (OTTI)	4,628,571	4,628,571	0
(2) Net capital loss carry-forward			0
(3) Real estate			0
(4) Other (including items <5% of total capital tax assets)			0
(99) Subtotal	4,628,571	4,628,571	0
(f) Statutory valuation allowance adjustment			0
(g) Nonadmitted			0
(h) Admitted capital deferred tax assets (2e99-2f-2g)	4,628,571	4,628,571	0
(i) Admitted deferred tax assets (2d+2h)	57,070,218	57,717,384	(647,166)

3. Deferred tax liabilities:

	2015	2014	Change
(a) Ordinary:			
(1) Employee Benefit Trust Fund	0	0	0
(2) Discount on Salvage and Subrogation	204,317	233,450	(29,133)
(3) Acquisition Expense - Advanced Premiums	238,713	222,263	16,450
(4) Tax/Book Depreciation	730,369	687,448	42,921
(5)			0
(6)			0
(7)			0
(99) Subtotal	1,173,399	1,143,161	30,238
(b) Capital			
(1) Investments - Unrealized capital gains - net	25,534,465	28,868,725	(3,334,260)
(2)			0
(3)			0
(99) Subtotal	25,534,465	28,868,725	(3,334,260)
(c) Deferred tax liabilities (3a99+3b99)	26,707,864	30,011,886	(3,304,022)

4. Net deferred tax assets/liabilities (2i-3c)

30,362,354 27,705,498 2,656,856

Notes to Financial Statements

CENTRAL MUTUAL INSURANCE COMPANY
Income Tax Disclosures Required under SSAP 101
AS OF DECEMBER 31, 2015

Note 9 - Income Taxes (continued)

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

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

	2015	Effective Tax Rate
Provision computed at statutory rate	25,109,702	35.0%
Change in nonadmitted assets	(23,429)	0.0%
Tax exempt income deduction	(5,364,741)	-7.5%
Proration of tax exempt investment income	1,009,564	1.4%
Disallowed other permanent non-deductible items	99,877	0.1%
Dividends received deduction	(1,365,685)	-1.9%
AMT Credit Utilized	1,183,053	1.6%
Other	(1,767,857)	-2.5%
Totals	18,880,484	26.3%
Federal and foreign income taxes incurred	12,336,293	17.2%
Change in net deferred income taxes	6,544,191	9.1%
	18,880,484	26.3%

Notes to Financial Statements

CENTRAL MUTUAL INSURANCE COMPANY

Income Tax Disclosures Required under SSAP 101

AS OF DECEMBER 31, 2015

Note 9 - Income Taxes (continued)**E. Operating Loss and Tax Credit Carryforwards**

- (1) At December 31, 2015, the Company had no unused operating loss carryforwards available to offset against future taxable income.
- (2) The following is income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses:

Year	Amount
2015	\$14,294,124
2014	\$13,202,432

- (3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

- (1) The Company's federal income tax return is consolidated with the following entities:

All America Insurance Company
 CAFCO, Inc.
 Central Insurex Agency
 Security Central

- (2) The method of allocation among companies is subject to a written agreement, approved by the Board of Directors. It is agreed among the companies that the tax liability of the subsidiaries shall be determined as if each was filing an individual tax return and the amount of tax so determined, if any, shall be paid to Central Mutual Insurance Company, which, in turn, shall be responsible for payment of the total tax liability calculated in the consolidated return. In the event the subsidiary produces a tax loss, which is utilized by Central Mutual in the consolidated return to reduce its tax liability, Central Mutual shall pay to the subsidiary the tax cash benefit so utilized in the consolidated tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

10. Information Concerning Parent, Subsidiaries and Affiliates

- A., B, & C. There were no transactions with affiliated companies other than reinsurance transactions and cost allocation transactions that are based on generally accepted accounting principles.
- D. At December 31, 2015, Central Mutual Insurance Company reported \$2,251,184 as amounts payable to its subsidiary All America Insurance Company. The terms of the settlement require that these amounts be settled within 30 days.
- E. No guarantees or undertakings have been taken for the benefit of an affiliate or related party that result in a material contingent exposure for Central Mutual Insurance Company.
- F. Central Mutual Insurance Company has an intercompany pooling agreement with its subsidiary All America Insurance Company whereby premiums, losses, underwriting and claims expenses are shared 84%/16% respectively in accordance with the pooling arrangement between the two entities. Investment expenses are allocated based on number of securities held in each company.
- G. Central Mutual Insurance Company owns 100% of the shares of All America Insurance Company which is domiciled in the State of Ohio.
- H. Central Mutual Insurance Company owns no shares of an upstream company.
- I. Central Mutual Insurance Company has no Subsidiary, Controlled or Affiliate companies whose carrying value is equal to or exceeds 10% of admitted assets.
- J. Central Mutual Insurance Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated companies during the statement period.

Notes to Financial Statements

- K. Central Mutual Insurance Company has no investment in foreign insurance subsidiaries.
- L. Central Mutual Insurance Company does not utilize the look-through approach for the valuation of downstream non-insurance entities. Such entities are non-admitted assets.
- M. Central Mutual Insurance Company does not have any non-insurance Subsidiary, Controlled or Affiliate companies.
- N. Audited statutory equity of investments in insurance Subsidiary, Controlled or Affiliated companies does reflect NAIC statutory accounting practices and procedures.

11. Debt

Central Mutual Insurance Company has no debt obligations.

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

A. Defined Benefit Plan

Qualified Pension Plan - Central Mutual Insurance Company sponsors a non-contributory defined benefit pension plan covering substantially all of its employees. A net periodic pension benefit cost of \$3,511,371 was recognized in 2015.

The mortality assumption tables were updated from the RP-2014 Total Dataset mortality tables with MP-2014 projection to the RP-2014 Total Dataset Mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2015. The discount rate was increased from 4.35% to 4.70.

The Company also sponsors a post-retirement medical plan. A net periodic benefit cost of \$6,723,987 was recognized in 2015 for this plan.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, 2015 and 2014 and were estimated by measuring employee data as of December 31 and October 1, respectively.

(1) Change in benefit obligation					
a. Pension Benefits		<u>Overfunded</u>		<u>Underfunded</u>	
		2014	2015	2014	2015
1. Benefit obligation at beginning of year		\$ -	\$ -	\$ 113,644,260	\$ 149,799,623
2. Service cost		-	-	3,280,048	4,673,722
3. Interest cost		-	-	5,859,759	6,418,840
4. Contribution by plan participants		-	-	-	-
5. Actuarial gain (loss)		-	-	(31,099,515)	9,922,477
6. Foreign currency exchange rate changes		-	-	-	-
7. Benefits paid		-	-	(4,083,959)	(4,360,615)
8. Plan amendments		-	-	-	-
9. Business combinations, divestitures, curtailments, settlements and special termination benefits		-	-	-	-
10 Benefit obligation at end of year		\$ -	\$ -	\$ 149,799,623	\$ 146,609,093

(b) Postretirement Benefits		<u>Overfunded</u>		<u>Underfunded</u>	
		2014	2015	2014	2015
1. Benefit obligation at beginning of year		\$ -	\$ -	\$ 36,625,141	\$ 55,913,023
2. Service cost		-	-	1,936,687	3,172,432
3. Interest cost		-	-	1,888,984	2,395,962
4. Contribution by plan participants		-	-	-	-
5. Actuarial gain (loss)		-	-	(17,031,415)	(342,758)
6. Foreign currency exchange rate changes		-	-	-	-
7. Benefits paid		-	-	(1,569,204)	(1,616,608)
8. Plan amendments		-	-	-	-
9. Business combinations, divestitures, curtailments, settlements and special termination benefits		-	-	-	-
10 Benefit obligation at end of year		\$ -	\$ -	\$ 55,913,023	\$ 60,207,567

c. Special or Contractual Benefits per SSAP No. 11 – NOT APPLICABLE

Notes to Financial Statements

(2) Change in plan assets			Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
			2014	2015	2014	2015	2014	2015
a. Fair value of plan assets at beginning of year			\$ 111,665,771	\$120,304,563	\$ 14,397,079	\$ 14,738,136	\$ -	\$ -
b. Actual return on plan assets			12,722,751	161,936	341,047	267,307	-	-
c. Foreign currency exchange rate changes			-	-	-	-	-	-
d. Reporting entity contribution			-	-	1,569,204	1,616,608	-	-
e. Plan participants' contributions			-	-	-	-	-	-
f. Benefits paid			(4,083,959)	(4,360,615)	(1,569,204)	(1,616,608)	-	-
g. Business combinations, divestitures and settlements			-	-	-	-	-	-
h. Fair value of plan assets at end of year			\$ 120,304,563	\$116,105,884	\$ 14,738,126	\$ 15,005,443	\$ -	\$ -

(3) Funded Status			Pension Benefits		Postretirement Benefits	
			2014	2015	2014	2015
Overfunded:						
a. Assets (non-admitted in 2012)						
1. Prepaid benefit cost	\$ 12,714,743	9,203,372	-	-		
2. Overfunded plan assets	\$ (12,714,743)	(9,203,372)	-	-		
3. Total assets (non-admitted in 2012)	\$ -	-	-	-		
Underfunded:						
b. Liabilities recognized						
1. Accrued benefit cost	\$ -	-	-	-		
2. Liability for pension benefits	\$ (29,495,060)	(30,503,209)	(41,174,897)	(45,202,134)		
3. Total liabilities recognized	\$ (29,495,060)	(30,503,209)	(41,174,897)	(45,202,134)		
c. Unrecognized liabilities	\$ (42,209,803)	(39,706,581)	(18,546,673)	(17,466,531)		

(4) Components of net periodic benefit cost			Pension Benefits				Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
			2014	2015	2014	2015	2014	2015	2014	2015
a. Service cost	\$ 3,280,048	4,673,722	1,936,687	3,172,432	-	-				
b. Interest cost	5,859,759	6,418,840	1,888,984	2,395,962	-	-				
c. Expected return on transition asset or obligation	(9,319,057)	(10,035,481)	(1,100,206)	(1,179,050)	-	-				
e. Gains and losses	389,660	-	4,531,848	4,531,848	-	-				
f. Prior service cost or credit	22,134	389,661	(2,399,407)	(2,399,407)	-	-				
g. Gain or loss recognized due to a settlement or curtailment or measurement date adjustment	-	-	-	-	-	-				
h. Total net periodic benefit cost	\$ 462,535	3,511,371	3,576,599	6,723,987	-	-				

Notes to Financial Statements

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost					
		Pension Benefits		Postretirement Benefits	
		2014	2015	2014	2015
a.	Items not yet recognized as a component of net periodic cost - prior year	\$ 15,155,767	42,209,803	(9,141,619)	18,546,673
b.	Net transition asset or obligation recognized	(389,660)	(2,454,290)	(4,531,848)	(2,334,643)
c.	Net prior service cost or credit arising during the period	-	-	-	-
d.	Net prior service cost or credit recognized	(22,134)		2,399,407	
e.	Net gain and loss arising during the period	27,695,821	(48,932)	17,790,574	1,254,501
f.	Net gain and loss recognized	(229,991)		1,281,307	-
	Adjustment to net (gain) loss	-	-	10,748,852	-
g.	Items not yet recognized as a component of net periodic cost - current year	\$ 42,209,803	39,706,581	18,546,673	17,466,531

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost					
		Pension Benefits		Postretirement Benefits	
		2014	2015	2014	2015
a.	Net transition asset or obligation	389,661	-	4,531,848	4,531,848
b.	Net prior service cost or credit	-	-	(2,399,407)	(2,399,407)
c.	Net recognized gains and losses	2,064,629	2,011,701	202,202	420,629

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost					
		Pension Benefits		Postretirement Benefits	
		2014	2015	2014	2015
a.	Net transition asset or obligation	389,661	-	22,659,240	18,127,392
b.	Net prior service cost or credit	-	-	(12,332,489)	(9,933,082)
c.	Net recognized gains and losses	41,820,142	39,706,581	8,219,922	9,272,221

(8) Weighted-average assumptions used to determine net periodic benefit cost as of December 31:

	2015	2014	2015	2014
(a) Weighted-average discount rate	4.35%	5.25%	4.70%	5.25%
(b) Expected long-term rate of return on plan Assets	8.50%	8.50%	8.00%	8.00%
(c) Rate of compensation increase	3.00%	3.00%	N/A	N/A

Weighted-average assumptions used to determine projected benefit obligations as of December 31:

(d) Weighed-average discount rate	4.70%	4.35%	4.70%	4.35%
(e) Rate of compensation increase	5.50% of base plus 24.1% for bonuses	5.50% of base plus 22.0% for bonuses	N/A	N/A

For measurement purposes, an 8.50% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2015. The rate was assumed to decrease gradually to 6.00% for 2021 and remain at that level thereafter.

(9) The amount of the accumulated benefit obligation for defined benefit pension plans was \$116,275,314 as of December 31, 2015 and \$119,663,685 as of December 31, 2014.

(10) The Company has a non-pension postretirement benefit plan. The health care plan is contributory, with participants' contributions adjusted annually; the life insurance plan is noncontributory. The accounting for the health care plan does not anticipate future cost-sharing changes to the written plan due to the company's expressed intent not to increase retiree contributions each year in excess of the expected general inflation rate. On March 1, 2013, the company amended the postretirement health care plan to limit eligibility for the benefits to employees that retire within 10 years of their Social Security "normal" retirement date, have completed at least 10 years of service since their most recent hire date, and had the coverage on the day just prior to their retirement date.

Notes to Financial Statements

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
(a) Effect on total of service and interest rate components	\$ 1,263,332	\$ (972,626)
(b) Effect on postretirement benefit obligation	\$ 10,180,900	\$ (8,179,269)

(12) The benefits expected to be paid in each of the next five fiscal years related to the defined benefit pension plan are as follows:

2016	\$4,615,511
2017	\$4,968,267
2018	\$5,335,463
2019	\$5,758,983
2020	\$6,244,743

The aggregate for five fiscal years thereafter are estimated to be: \$38,549,601.

The net benefits expected to be paid in each of the next five fiscal years related to the postretirement plan are as follows:

2016	\$1,694,227
2017	\$1,901,568
2018	\$2,083,843
2019	\$2,333,517
2020	\$2,566,405

The aggregate for five fiscal years thereafter are estimated to be: \$15,890,056.

(13) The Company does not have any regulatory contribution requirements for 2015, and the Company does not intend to make any voluntary contributions to the defined benefit pension plan. The Company expects to contribute \$1,694,000 to the postretirement plan in 2016.

(14) There are no securities of the employer or related parties included in plan assets. There are no future annual benefits of plan participants covered by insurance contracts issued by the employer or related parties. There were no significant transactions between the employer or related parties and the plan during the period.

(15) There were no alternative methods used to amortize prior service amounts or unrecognized net gains and losses.

(16) There were no substantive commitments used as the basis for accounting for the benefit obligation.

(17) There were no costs of providing special or contractual termination benefits during the period.

(18) There were no significant changes in the benefit obligation or plan assets that are not otherwise apparent in the previous disclosures.

(19) There are no plan assets expected to be returned to the Company during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.

(20)			Pension	Postretirement
			Benefits	Benefits
			2015	2015
Accumulated Benefit Obligation		\$ 116,275,314		-
Projected Benefit Obligation		146,609,093		60,207,567
Fair Value of Plan Assets		116,105,884		15,005,433
Funded Status - (under)/over		(30,503,209)		(45,202,134)
(21) Not applicable				

Non-Qualified Pension Plan - Central Mutual Insurance Company also has a non-qualified pension plan to pay benefits to certain employees whose pension benefits under the qualified plan are limited by Sections 415 and 401(a)(17) of the Internal Revenue Code. The non-qualified plan is unfunded and will pay the difference of (1) the benefit determined by the qualified plan formula with no IRC limits applied less (2) the benefit determined by the qualified plan formula after the IRC limits are applied. Central Mutual's share of this liability as of December 31, 2015 is \$6,643,150.

B. The Investment Policy of the Plan indicates that the asset structure needs to reflect a proper balance

Notes to Financial Statements

of the Plan's need for liquidity, stability of value, and diversification along with the risk tolerance of Central Mutual Insurance Company. The asset mix that identifies the company's long-term investment objectives for the Plan lies in five major investment categories each with a permissible range.

Those categories are Large Cap Equities (25-50%), Small/Mid Cap Equities (5-15%), International Equities (0-15%), Intermediate-Term Fixed Income (15-40%), and Long-Term Fixed Income (10-30%). The actual

12/31/2015

asset value mix was 40.02% in Large Cap Equities, 10.66% in Small/Mid Cap Equities, 8.08% in International Equities, 24.87% in Intermediate-Term Fixed Income, and 16.37% in Long-Term Fixed Income.

The company analyzes 20 years of return data for 20 asset categories on an annual basis in order to establish its basis for expected long-term rate-of-return on its assets.

The company also runs a monthly asset allocation model taking into consideration the desired asset mix, risk of asset categories, and the maturity needs of the plan's liabilities. This model is used to determine what asset allocation changes need to be made in order to meet the asset mix requirements in the investment policy.

C. (1) Fair Value Measurements of Plan Assets at Reporting Date

Description of each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Equity Securities (Mutual Funds)	\$ 116,105,884			\$ 116,105,884
Total Plan Assets	\$ 116,105,884			\$ 116,105,884

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

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

Description for each class of plan assets	Beginning Balance at 01/01/2015	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
N/A										
Total Plan Assets										

D. An annual study is performed that is designed to evaluate the real rates of return, allocations of investments by asset category, and expected future condition of the Group Pension Plan. This study serves as the basis for the rate of return assumption. Exhibit 1 of this study computes annual real rates of return for large cap equities, small/mid cap equities, international equities, fixed income intermediate maturity investments, and fixed income long-term maturity investments. Thirty years of returns are analyzed and are used to evaluate the reasonableness of the assumptions by asset class that are contained in the Plan's Investment Policy. Exhibit 2 of the study uses the assumptions of the Company's Asset Allocation Model and the payout, interest rate, liability, and asset information from the Plan's actuarial report to develop a modeled allocation for the pension assets. Exhibit 3 of the study develops an expected real rate of return for the portfolio of Plan assets under alternative scenarios. The portfolio real rates of return are then compared to those in the Investment Policy for reasonableness. Exhibit 4 of the study provides long-term annual standard deviations and average returns for various portfolio asset allocations. These average returns are then compared to the assumption the pension actuary uses in the Plan's annual actuarial report. Exhibit 5 of the study attempts to compute and display the expected future condition of the Group Pension Plan over the next 50 years under various market conditions, asset allocations, assumptions and scenarios. This exhibit provides some idea as to the expected level of funding that the Group Pension Plan will require in the future and the probability that the Company will have to do future funding of the Plan that is considerably different than that expected level. The final two exhibits of the study evaluate the ranges of investments by asset class indicated in the Investment Policy. Two alternate scenarios are evaluated: (1) assets are doubled and (2) assets are reduced by 25%.

E. Defined Contribution Plans

- (1) Qualified Defined-Contribution Plan - Central Mutual Insurance Company has a qualified Savings and Profit Sharing Plan (SPP) for which substantially all employees are eligible. Up to 5% of each employee's savings is matched at 20% by contributions by the company each year. Additionally, 5% of the combined insurance companies' net income before federal income taxes is contributed to the plan each year. Central Mutual Insurance Company's contribution for the plan was \$3.88 million for 2015 and \$3.447 million for 2014, respectively. At December 31, 2015, the fair value of plan assets was \$ 124.2 million.
- (2) Non-Qualified Defined-Contribution Plan - Central Mutual Insurance Company also has a non-qualified Savings and Profit Participation Equalization Plan (Plan), which coordinates with the benefits available under the Central Employees' Savings and Profit Participation Plan (SPP), to provide a supplemental savings program for key executive employees who are limited by Sections 401(a)(17), 415, and 402(g) of the Internal Revenue Code. The non-qualified Plan is unfunded and a participant is eligible to defer compensation under the non-qualified Plan only if he has made the maximum elective contributions which are permitted under the qualified SPP Plan. Central Mutual's share of this liability as of December 31, 2015 is \$3,155,325.

F. Multiemployer Plans - NONE

Notes to Financial Statements

G. Consolidated / Holding Company Plans - NONE

H. Post-employment Benefits and Compensated Absences – The Company established a reserve of \$45.2 M for its post-employment health care benefit obligations at 12/31/2015.

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

Central Mutual Insurance Company recognized the impact of Medicare Part D in 2006. It is expected that all retirees will elect to continue coverage with Central Mutual. In 2014, the expected subsidy to Central Mutual for Medicare Part D reduced the statutory reserve by \$10,199,261. Additionally, the company would like to disclose the following:

		Including Subsidy	Excluding Subsidy	Total	Change due to Retirees
Service Cost		3,130,024	3,664,420	534,396	-
Interest Cost		2,790,398	3,265,345	474,947	189,824
Expected Return on Assets		(1,200,435)	(1,200,435)	-	-
<i>Amortization of:</i>				-	-
Transition		4,531,848	4,531,848	-	-
Prior Service Cost		(2,399,407)	(2,399,407)	-	-
Gain/Loss		420,629	1,608,124	1,187,495	481,182
 Net Cost		 7,273,057	 9,469,895	 2,196,838	 671,006
 Expected Cash Cost		 1,694,227	 1,884,463	 190,236	
 Benefit Obligation		 60,207,567	 70,406,828	 10,199,261	

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

- (1) Central Mutual Insurance Company is a mutual company with no capital stock outstanding.
- (2) Central Mutual Insurance Company has no preferred stock outstanding.
- (3) Central Mutual Insurance Company has no restrictions on dividends paid to policyholders.
- (4) No ordinary or extraordinary dividends were paid.
- (5) None of the Company's profits will be paid as ordinary dividends. There are no stockholders.
- (6) There are no restrictions placed on Central Mutual Insurance Company's surplus.
- (7) There are no advances on surplus.
- (8) There is no stock of affiliated companies held for special purposes.
- (9) There are no balances held in special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

(a) Unrealized gains and losses:	\$ 207,450,314
(b) Nonadmitted asset values	\$ 27,970,668
(c) Provision for reinsurance	\$ 0

(11) No surplus debentures or similar obligations exist.

(12) & (13) No quasi-reorganization has taken place.

14. Contingencies

A. Contingent Commitments/Guarantees - Central Mutual Insurance Company has guaranteed four (4) loans made by Citizens National Bank of Bluffton to independent insurance agents representing the company until 12/2020, in the aggregate amount not to exceed (undiscounted) total of \$514,495 in the event of a loan default by the independent agents. These loans arose out of merger/acquisition and/or perpetuation activities by the agents. Central Mutual is supporting the agents by guaranteeing the loans. Central Mutual will execute a commercial guaranty in favor of Citizens National Bank of Bluffton for repayment of any unpaid portion of the agent's note if the agent should fail to make repayment. In consideration of Central Mutual's guarantee, the agent grants a lien to Central Mutual against all assets, all present and future accounts receivable, and all policy expiration records of the agent evidenced by a security agreement with the Company. Should Central Mutual make payment to the bank pursuant to the commercial guaranty, the agent will immediately indemnify and hold harmless Central Mutual for any payments and expenses incurred. The ultimate financial statement impact if action under the guarantee is required would be \$514,495 and would be recorded as underwriting expense. The agents are current in all payments of principal and interest to the bank. Central Mutual has not recorded liability related to this commercial guarantee since inception and for the year ended December 31, 2015. The loans outstanding total \$514,495 as of December 31, 2015.

B. Assessments - It is expected that various insolvencies will result in guaranty fund assessments against the company of \$25,678 and have been charged to operations in 2015. A net reduction in premium tax credit of (\$15,706) was incurred in 2015 to offset premium taxes in multiple states over the next ten years. Various other smaller insolvency assessments are accrued for by the company.

C. Gain Contingencies - NONE

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Notes to Financial Statements

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

Claims related ECO and bad faith losses paid during the reporting period	Direct
	\$0.00

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

(a) 0-25 Claims X	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
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Indicate whether claim count information is disclosed per claim or per claimant:

(f) Per Claim [] (g) Per Claimant []

- E. Product Warranties – THE COMPANY DOES NOT OFFER ANY PRODUCT WARRANTIES
- F. Joint and Several Liabilities – THE COMPANY DOES NOT HAVE ANY JOINT AND SEVERAL LIABILITY ARRANGEMENTS
- G. All Other Contingencies - NONE

15. Leases

A. Lessee Operating Lease

- (1) a. Central Mutual Insurance Company leases office space under various non-cancelable operating lease agreements that expire through December, 2016. Rental expense for 2015 and 2014 was approximately \$893,190 and \$747,200, respectively.
- b. Central Mutual Insurance Company leases computer hardware and software under various non-cancelable operating lease agreements that expire through December, 2019. Rental expense for 2015 and 2014 was approximately \$620,000 and \$590,000, respectively.
- c. Central Mutual Insurance Company leases automobiles under various non-cancelable operating lease agreements that expire through December, 2016. Rental expense for 2015 and 2014 was approximately \$348,733 and \$274,557, respectively.

- (2) a. At January 1, 2016, the minimum aggregate rental commitments are as follows:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
1. 2016	\$801,000
2. 2017	\$763,000
3. 2018	\$763,000
4. 2019	\$126,000
5. 2020	<u>\$ 0</u>
Total	\$2,453,000

- b. None of the property included above is subleased.

- (3) Central Mutual Insurance Company is not involved in any material sales - leaseback transactions.

- B. (1) Lessor Leases - NONE
- (2) Leveraged Leases - NONE

16. Information About Financial Instruments with Concentration of Credit Risk

NONE

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

- A. Transfers of Receivables Reported as Sales - NONE
- B. Transfer of Servicing of Financial Assets - NONE
- C. Wash Sales - NONE

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

The Company does not offer A&H coverages or provide services as an ASO or ASC plan administrator.

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

Central Mutual Insurance Company does not write business through managing general agents or third party administrators.

20. Fair Value Measurements

- A. Assets and Liabilities Measured at Fair Value

Notes to Financial Statements

1. Fair Value Measurements at Reporting Date

DESCRIPTION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
a. Assets at Fair Market Value				
<i>Preferred Stock</i>				
Industrial & Miscellaneous	37,334,565	4,426,399		41,760,964
Parent, Subsidiaries				-
Total Preferred Stock	37,334,565	4,426,399	-	41,760,964
<i>Bonds</i>				
US Government	24,949,273			24,949,273
US States	15,358,288			15,358,288
US Political Subdivisions	228,780,957			228,780,957
US Special Revenue	384,743,948			384,743,948
Industrial & Miscellaneous	119,545,209			119,545,209
Other	1,772,643			1,772,643
Parent, Subsidiaries				-
Total Bonds	775,150,318			775,150,318
<i>Common Stocks</i>				
Industrial & Miscellaneous	228,529,527		28,547	228,558,074
Parent, Subsidiaries			148,284,226	148,284,226
Total Common Stocks	228,529,527		148,312,773	376,842,300
<i>Derivative Assets</i>				
Warrants				
Total Derivative Assets				
Total at Fair Market Value	1,041,014,410	4,426,399	148,312,773	1,193,753,582
b. Liabilities at Fair Market Value				
<i>Derivative Liabilities</i>				
585,209				585,209
Total at Fair Market Value	585,209			585,209
	LEVEL 1	Active markets/exchanges		
	LEVEL 2	Quoted prices for similar assets in active markets		
	LEVEL 3	Valued at book value of the entity as filed with the NAIC		

2. Fair value measurements categorized within Level 3:

	Balance at	Realized	Unrealized	Purchases,	Transfer	Balance at
	01/01/2014	Gain (Loss)	Gain (Loss)	Issuances, Sales	In (Out) Level 3	12/31/2014
Equity	137,050,147	-	11,262,626	-	-	148,312,773
Separate Account Assets	-	-	-	-	-	-
Derivative Assets	-	-	-	-	-	-
Derivative Liabilities	-	-	-	-	-	-
Total	137,050,147	-	11,262,626	-	-	148,312,773

- B. NONE
- C. NONE
- D. NONE

21. **Other Items**

- A. Unusual or Infrequent Items - NONE
- B. Troubled Debt Restructuring: NONE

C. Other Disclosures

1. Assets in the amount of \$5,939,714 and \$5,705,884 at December 31, 2015 and 2014, respectively, were on deposit with government authorities or trustees as required by law. No assets were maintained as compensating balances or pledged as collateral for bank loans or other financing agreements.
2. At December 31, 2015 and 2014, the company had admitted assets of \$153,253,846 and \$140,758,427, respectively, in accounts receivable amounts due from agents and insureds. Central Mutual Insurance Company routinely assesses the collectibility of these receivables. Based on Central Mutual's experience, less than 1% of the balance may become uncollectible and the potential loss is not material to Central Mutual's financial condition.
- D. Business Interruption Insurance Recoveries – NONE
- E. State Transferable Tax Credits – NONE

- F. Subprime Mortgage Related Risk Exposure
 1. Exposures to subprime mortgage related risk in practice
 - a. Direct investments in subprime mortgage loans: NONE

Notes to Financial Statements

- b. Direct investments in securities with underlying subprime exposure, such as residential mortgage backed securities, commercial mortgage backed securities, collateralized debt obligations, structured securities (including principal protected notes), hedge funds, credit default swaps, and special investment vehicles: NONE
- c. Equity investments in subsidiary, controlled or affiliated entities with significant subprime related risk exposure: NONE
- d. Underwriting risk on policies issued for Mortgage Guaranty or Financial Guaranty insurance coverage: NONE

G. Possible proceeds as an issuer, ceding insurer, or counterparty of insurance-linked securities - NONE

22. Events Subsequent

No subsequent events requiring disclosure occurred.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

Central Mutual Insurance Company has the following unsecured reinsurance recoverables in excess of 3% of Policyholders' Surplus.

		NAIC #	FED ID#	Amount
All America Insurance Co.		20222	34-0935740	\$ 99,669,000

B. Reinsurance Recoverable in Dispute

Reinsurance recoverable on losses from any company in dispute do not exceed 5% of Central Mutual's Policyholders' Surplus.

C. Reinsurance Assumed and Ceded

- (1) Maximum amount of return commission which would have been due reinsurers if they or Central Mutual had cancelled all of the company's reinsurance or if Central Mutual or a receiver had cancelled all of the company's insurance assumed as of the end of the period covered by this Annual Statement with the return of the unearned premium reserve.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
a. Affiliates	\$ 19,120,260	3,225,317	\$ 50,136,003	\$ 9,518,907	\$ (31,015,743)	\$ (6,293,591)
b. All Other	1,084,315	134,845	7,178,270	1,853,926	(6,093,954)	(1,719,081)
c. Total	\$ 20,204,575	\$ 3,360,162	\$ 57,314,273	\$ 11,372,833	\$ (37,109,697)	\$ (8,012,671)
d. Direct Unearned Premium Reserve:			\$300,546,942			

- (2) Additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this Annual Statement as a result of existing contractual arrangements are accrued as follows:

	REINSURANCE				
	Direct		Assumed		Ceded
	Premium	Commission	Premium	Commission	Commission
a. Contingent Commissions	\$ 12,627,997	\$ 801,943	\$ (3,794,335)	\$ 17,224,275	
b. Sliding Scale Adjustments	0	0	0	0	0
c. Other Profit Commission Arrangements	0	0	0	0	0
d. TOTAL	\$ 12,627,997	\$ 801,943	\$ (3,794,335)	\$ 17,224,275	

D. Uncollectible Reinsurance - NONE

E. Commutation of Ceded Reinsurance –

On December 30, 2015, the Company entered into a commutation agreement with Munich Reinsurance America, Inc. (formerly, American Re-Insurance Company), Princeton, New Jersey. Under the terms of the agreement, the Company will receive \$17 million in exchange for the release of Munich's present and future obligations under aggregate excess of loss reinsurance contracts in place from 1996 to 2002 in addition to the settlement of all current outstanding receivables and payables. The commutation was not significant to the Company's financial statements and was settled during January, 2016.

F. Retroactive Reinsurance - No retroactive reinsurance contracts exist.

G. Reinsurance Accounted for as a Deposit – NONE

H. Transfer of Property and Casualty Run-off Agreements – NONE

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – NONE

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - NONE

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A.-E. Central Mutual Insurance Company does not issue policies that are retrospectively rated or subject to redetermination.

F. Risk Sharing Provisions of the Affordable Care Act (ACA) – N/A

Central Mutual Insurance Company does not write accident and health insurance premium.

Notes to Financial Statements

25. Change to Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$34.8 million from \$361.1 million in 2014 to \$326.3 million (\$226.7 million in total net losses and expenses unpaid and \$99.6 in total net losses and expenses paid) in 2015. To provide further detail, losses & defense and medical cost containment expenses decreased by \$31.4 million from \$321.6 million in 2014 to \$290.2 million (\$197.9 million in total net losses and defense & medical cost containment expenses unpaid and \$92.3 million in total net losses & defense and medical cost containment expenses paid) in 2015. Adjusting and other expenses decreased by \$3.4 million from \$39.5 million in 2014 to \$36.1 million (\$28.8 million in total net adjusting and other expenses unpaid and \$7.3 million in total net adjusting and other expenses paid) in 2015. Included in this change, Central Mutual Insurance Company experienced \$0.0 million of unfavorable (favorable) prior year loss development on retrospectively rated policies. Thus, there was no impact to surplus as a result.

26. Intercompany Pooling Arrangements

An intercompany pooling agreement exists between the following companies to share in premiums, losses, expenses and accounts receivable balances according to the percentages shown:

Lead Company:	Central Mutual Insurance Company	20230	84%
Affiliate:	All America Insurance Company	20222	16%

All lines of business are pooled. Each company can make facultative cessions to non-affiliated reinsurers prior to pooling. All treaty cessions are processed through the lead company after cessions are made from the affiliate. Both companies though, have contract rights under all non-affiliated treaty reinsurance contracts.

27. Structured Settlements

Central Mutual Insurance Company has purchased several annuities on which claimants are payees in settlement of claims under the company's policies. The company has obtained releases from the respective claimants acknowledging that receipt of the structured settlement under each annuity is full payment of the claim. Central Mutual has no contingent liability for these annuities since ownership has been transferred to another insurance company.

28. Health Care Receivables - NONE

29. Participating Policies - NONE

30. Premium Deficiency Reserves -

1. Liability carried for premium deficiency reserves	\$0.00
2. Date of the most recent evaluation of this liability	12/31/2015
3. Was anticipated investment income utilized in the calculation?	Yes

31. High Deductibles

Central Mutual Insurance Company does not issue policies subject to high deductibles on claims.

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

Central Mutual Insurance Company does not discount the liabilities for unpaid losses or unpaid loss adjustment expenses.

33. Asbestos / Environmental Reserves

A. & D. Does Central Mutual Insurance Company have on the books, or has it ever written an insured for which it has been identified as having a potential for the existence of, a liability due to asbestos losses?

Yes(X) No()

Does Central Mutual Insurance Company have on the books, or has it ever written an insured for which it has been identified as having a potential for the existence of, a liability due to environmental losses?

Yes(X) No()

Central Mutual's exposure arises primarily from the sale of general liability insurance, including the general liability portion of commercial package policies. However, exposure also exists for these lines of insurance: workers' compensation, homeowners, and commercial property.

Central Mutual tries to estimate the full impact of the environmental and asbestos exposure by establishing full case basis reserves on all known losses and computing incurred but not reported loss reserves and allocated loss adjustment reserves based on previous experience.

The previous experience is combined with the other Company experience and analyzed in a combined manner as part of the regular loss reserve analysis.

Central Mutual's systems do not separate environmental and asbestos-related claims. Therefore, only combined environmental and asbestos-related loss data is available for presentation. Environmental claims represent the majority of the exposure included in the following numbers.

Central Mutual's environmental and asbestos-related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows:

- (1) Gross of Reinsurance Basis:

Notes to Financial Statements

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 12,474,520	\$ 14,059,352	\$ 17,964,540	\$ 12,678,785	\$ 8,379,569
b. Incurred losses and loss adjustment expense:	1,932,901	4,618,883	-2,964,914	-3,171,990	-778,900
c. Calendar year payments for losses and loss adjustment expenses:	348,069	713,695	2,321,156	1,127,226	500,776
d. Ending reserves:	\$ 14,059,352	\$ 17,964,540	\$ 12,678,470	\$ 8,379,569	\$ 7,099,893

(2) Net of Reinsurance Basis:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a. Beginning reserves:	\$ 11,721,723	\$ 13,088,263	\$ 16,411,034	\$ 11,374,364	\$ 7,834,257
b. Incurred losses and loss adjustment expense:	1,741,277	4,042,899	-2,715,513	-2,413,132	-713,085
c. Calendar year payments for losses and loss adjustment expenses:	374,737	720,128	2,321,157	1,126,974	500,775
d. Ending reserves:	\$ 13,088,263	\$ 16,411,034	\$ 11,374,364	\$ 7,834,258	\$ 6,620,397

B. & E. The amount of ending reserves for Bulk + IBNR included in A & D (Loss & LAE) is:

1. Gross of Reinsurance Basis: \$ 4,786,875
2. Net of Reinsurance Basis \$ 4,307,694

C. & F. The amount of ending reserves for loss adjustment expenses included in A & D (Case, Bulk + IBNR):

1. Gross of Reinsurance Basis: \$ 2,334,347
2. Net of Reinsurance Basis \$ 2,090,392

34. Subscriber Savings Accounts - NONE**35. Multiple Peril Crop Insurance – NONE****36. Financial Guaranty Insurance – Central Mutual does not write Financial Guaranty insurance.**

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

1.3 State Regulating?

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 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011.....

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011.....

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/28/2013.....

3.4 By what department or departments?
OHIO DEPARTMENT OF INSURANCE

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

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

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

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

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]

7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
..... Yes[] No[X] ..	..... Yes[ ] No[X] ..	..... Yes[ ] No[X] ..	..... Yes[ ] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PLANTE & MORAN, PLLC 2601 CAMBRIDGE COURT, SUITE 500 AUBURN HILLS, MI 48326-2572

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

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]

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

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

10.6 If the response to 10.5 is "NO" or "N/A" please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
T. CHAD GLENN, FCAS, MAAA, CHIEF ACTUARY Central Mutual Insurance Company Van Wert, OH 45891

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[X] No[]

12.11 Name of real estate holding company
VENTAS REALTY and NUVEEN REAL ESTATE A

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation
REITS ARE HELD AS INCOME PRODUCING BOND INVESTMENTS OR IN MUTUAL FUNDS FOR APPRECIATION & DIVERSIFICATION

\$ 5,439,085 2

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

13.3 Have there been any changes made to any of the trust indentures during the year?

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
Yes[] No[] N/A[X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

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

14.2 Has the code of ethics for senior managers been amended?

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

14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

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

Yes[] No[X]
Yes[] No[X]

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

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

Yes[] No[X]

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
	15.2001			

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers
\$..... 0

20.12 To stockholders not officers
\$..... 0

20.13 Trustees, supreme or grand (Fraternal only)
\$..... 0

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers
\$..... 0

20.22 To stockholders not officers
\$..... 0

20.23 Trustees, supreme or grand (Fraternal only)
\$..... 0

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

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

21.21 Rented from others
\$..... 0

21.22 Borrowed from others
\$..... 0

21.23 Leased from others
\$..... 0

21.24 Other
\$..... 0

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment
\$..... 0

22.22 Amount paid as expenses
\$..... 0

22.23 Other amounts paid
\$..... 0

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

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

INVESTMENT

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

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

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

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

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

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

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

GENERAL INTERROGATORIES (Continued)

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[] No[] N/A[X]
 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 24.103 Total payable for securities lending reported on the liability page. \$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
 25.2 If yes, state the amount thereof at December 31 of the current year:
 25.21 Subject to repurchase agreements \$ 0
 25.22 Subject to reverse repurchase agreements \$ 0
 25.23 Subject to dollar repurchase agreements \$ 0
 25.24 Subject to reverse dollar repurchase agreements \$ 0
 25.25 Placed under option agreements \$ 0
 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ 0
 25.27 FHLB Capital Stock \$ 0
 25.28 On deposit with states \$ 5,939,714
 25.29 On deposit with other regulatory bodies \$ 0
 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[X] No[]
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[X] No[] N/A[X]
 If no, attach a description with this statement.
 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[X] No[X] 0
 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0
 28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]
 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP MORGAN CHASE BANK	14201 Dallas Pkwy, Mail Code TX1-J182, Dallas, TX 75254

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
 28.04 If yes, give full and complete information relating thereto:

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

28.05 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 Number(s)	2 Name	3 Address

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

GENERAL INTERROGATORIES (Continued)

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
00888W403	INVESCO CONVERTIBLE A	2,522,052
119804102	BUFFALO SMALL CAP	2,299,265
256206103	DODGE & COX INTL STOCK	4,743,310
256210105	DODGE & COX INCOME	3,816,255
256219106	DODGE & COX STOCK	5,220,194
360802102	FUNDAMENTAL INVESTORS - A	3,533,707
411511306	HARBOR INTERNATIONAL INSTL	4,396,296
56064V205	MAIRS & POWER GROWTH	2,717,975
670678705	NUVEEN REAL ESTATE SEC A	4,437,975
683974109	OPPENHEIMER DEVELOPING MKTS A	1,779,832
74160Q103	PRIMECAP ODYSSEY GROWTH	4,833,901
779562107	T ROWE PRICE NEW HORIZONS	2,283,982
880208103	TEMPLETON GLOBAL BOND A	930,120
921936209	VANGUARD PRIMECAP - ADM	14,352,410
921937843	VANGUARD INTER TERM BOND INDEX - SIG	2,837,439
92203J308	VANGUARD TOTAL INT'L BOND - ADM	985,521
922040100	VANGUARD INSTL INDEX	55,111,523
922908835	VANGUARD MID-CAP INDEX INSTL	15,286,110
92828T707	VIRTUS EMERGING MARKETS OPP A	1,776,138
94975J359	WELL FARGO SMALL CO GROWTH	886,715
29.2999 Total		134,750,720

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
INVESCO CONVERTIBLE A	SALESFORCE	45,649	12/31/2015
BUFFALO SMALL CAP	LOGMEIN INC	79,555	12/31/2015
DODGE & COX INTL STOCK	NASPERS LTD	199,219	12/31/2015
DODGE & COX INCOME	STATE OF CALIFORNIA	83,958	12/31/2015
DODGE & COX STOCK	WELLS FARGO	214,028	12/31/2015
FUNDAMENTAL INVESTORS - A	MICROSOFT	169,618	12/31/2015
HARBOR INTERNATIONAL INSTL	NOVO NORDISK	171,456	12/31/2015
MAIRS & POWER GROWTH	ECOLAB	127,745	12/31/2015
NUVEEN REAL ESTATE SEC A	SIMON PROPERTY GROUP	403,856	12/31/2015
OPPENHEIMER DEVELOPING MKTS A	HSG DEV FINANCE CORP	81,872	12/31/2015
PRIMECAP ODYSSEY GROWTH	ELI LILLY	199,157	12/31/2015
T ROWE PRICE NEW HORIZONS	O'REILLY AUTOMOTIVE	54,816	12/31/2015
TEMPLETON GLOBAL BOND A	GOVT OF MEXICO	49,575	12/31/2015
VANGUARD PRIMECAP - ADM	BIOGEN IDEC	931,471	12/31/2015
VANGUARD INTER TERM BOND INDEX - SIG	US TREASURY NOTE 2.50% 08/2023	91,082	12/31/2015
VANGUARD TOTAL INT'L BOND - ADM	FEDERAL REP OF GERMANY	6,504	12/31/2015
VANGUARD INSTL INDEX	APPLE INC	1,796,636	12/31/2015
VANGUARD MID-CAP INDEX - INSTL	ROSS STORES	108,531	12/31/2015
VIRTUS EMERGING MARKETS OPP A	BRITISH AMERICAN TOBACCO	106,035	12/31/2015
WELL FARGO SMALL CO GROWTH	ICON PLC	14,010	12/31/2015

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	750,845,499	775,150,317	24,304,818
30.2 Preferred stocks	39,459,864	41,760,964	2,301,100
30.3 Totals	790,305,363	816,911,281	26,605,918

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

ALL BONDS ARE PRICED INDEPENDENTLY THROUGH INTERACTIVE DATA CORP

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]
 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [] N/A [X]
 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
 EITHER NAIC OR INTERACTIVE DATA CORP PRICES WERE USED

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []
 32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 1,264,260
 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE	949,692

34.1 Amount of payments for legal expenses, if any? \$ 117,514
 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 68,199
 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Property Casualty Insurers Association of America	56,261

GENERAL INTERROGATORIES (Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes[] No[X]
1.2 If yes, indicate premium earned on U.S. business only.	\$..... 0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$..... 0
1.31 Reason for excluding:	
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$..... 0
1.5 Indicate total incurred claims on all Medicare Supplement insurance.	\$..... 0
1.6 Individual policies	
Most current three years:	
1.61 Total premium earned	\$..... 0
1.62 Total incurred claims	\$..... 0
1.63 Number of covered lives	..... 0
All years prior to most current three years:	
1.64 Total premium earned	\$..... 0
1.65 Total incurred claims	\$..... 0
1.66 Number of covered lives	..... 0
1.7 Group policies	
Most current three years:	
1.71 Total premium earned	\$..... 0
1.72 Total incurred claims	\$..... 0
1.73 Number of covered lives	..... 0
All years prior to most current three years:	
1.74 Total premium earned	\$..... 0
1.75 Total incurred claims	\$..... 0
1.76 Number of covered lives	..... 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	.....	.....
2.2 Premium Denominator	467,598,885	427,961,255
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator	624,670,120	604,069,050
2.6 Reserve Ratio (2.4 / 2.5) .....	.....	.....

3.1 Does the reporting entity issue both participating and non-participating policies?	Yes[] No[X]
3.2 If yes, state the amount of calendar year premiums written on:	
3.21 Participating policies	\$..... 0
3.22 Non-participating policies	\$..... 0
4. For Mutual reporting entities and Reciprocal Exchanges only:	
4.1 Does the reporting entity issue assessable policies?	Yes[] No[X] N/A[]
4.2 Does the reporting entity issue non-assessable policies?	Yes[X] No[] N/A[]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	0%
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$..... 0
5. For Reciprocal Exchanges Only:	
5.1 Does the exchange appoint local agents?	Yes[] No[] N/A[X]
5.2 If yes, is the commission paid:	
5.21 Out of Attorney's-in-fact compensation	Yes[] No[] N/A[X]
5.22 As a direct expense of the exchange	Yes[] No[] N/A[X]
5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?	
5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred?	Yes[] No[] N/A[X]
5.5 If yes, give full information:	
6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss: THE COMPANY HAS A CASUALTY EXCESS REINSURANCE PROGRAM	
6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: THE CATALYST CATASTROPHE RISK ANALYSIS AND IRAS HURRICANE MODELS ARE RUN ANNUALLY	
6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss: THE COMPANY HAS PURCHASED CATASTROPHE REINSURANCE COVERAGE	
6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes[X] No[]
6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss	
7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes[] No[X] 0
7.2 If yes, indicate the number of reinsurance contracts containing such provisions.	
7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes[] No[] N/A[X]
8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes[] No[X]
8.2 If yes, give full information.	
9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;	

GENERAL INTERROGATORIES (Continued)

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

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

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force?

11.2 If yes, give full information:

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses \$ 0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 0

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

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From 0.000%

12.42 To 0.000%

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

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

12.61 Letters of Credit \$ 0

12.62 Collateral and other funds \$ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 1,500,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 10

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes[] No[X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes[] No[] N/A[X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes[] No[] N/A[X]

14.5 If the answer to 14.4 is no, please explain

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes[] No[X]

15.2 If yes, give full information:

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

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home
16.12 Products
16.13 Automobile
16.14 Other *

* Disclose type of coverage:

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

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

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 \$ 0

17.12 Unfunded portion of Interrogatory 17.11 \$ 0

GENERAL INTERROGATORIES (Continued)

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$.....	0
17.14 Case reserves portion of Interrogatory 17.11	\$.....	0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$.....	0
17.16 Unearned premium portion of Interrogatory 17.11	\$.....	0
17.17 Contingent commission portion of Interrogatory 17.11	\$.....	0
Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.		
17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$.....	0
17.19 Unfunded portion of Interrogatory 17.18	\$.....	0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....	0
17.21 Case reserves portion of Interrogatory 17.18	\$.....	0
17.22 Incurred but not reported portion of Interrogatory 17.18	\$.....	0
17.23 Unearned premium portion of Interrogatory 17.18	\$.....	0
17.24 Contingent commission portion of Interrogatory 17.18	\$.....	0

18.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
18.2 If yes, please provide the amount of custodial funds held as of the reporting date:	\$..... 0
18.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
18.4 If yes, please provide the balance of the funds administered as of the reporting date:	\$..... 0

FIVE - YEAR HISTORICAL DATA

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

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2, & 19.3, 19.4)	204,185,593	188,190,125	172,346,086	165,742,143	169,558,702
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	128,680,953	118,054,978	111,395,728	106,159,138	105,440,867
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	297,529,144	274,277,493	249,773,841	228,347,146	223,924,467
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	25,914	40,253	39,385	36,412	35,328
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6. TOTAL (Line 35)	630,421,605	580,562,849	533,555,040	500,284,839	498,959,364
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	161,371,051	147,177,273	135,356,416	129,301,608	132,839,355
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	105,356,348	95,911,002	89,168,499	83,858,632	84,484,214
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	221,244,204	204,500,169	177,698,201	156,671,869	158,573,473
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	21,725	32,037	30,871	27,911	27,042
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12. TOTAL (Line 35)	487,993,328	447,620,481	402,253,987	369,860,019	375,924,084
Statement of Income (Page 4)					
13. Net underwriting gain or (loss) (Line 8)	33,206,336	27,112,615	27,291,348	(13,130,211)	(38,528,476)
14. Net investment gain or (loss) (Line 11)	35,885,330	32,998,942	33,043,479	32,905,092	35,875,586
15. TOTAL other income (Line 15)	2,334,215	2,272,265	2,368,859	2,501,110	2,409,727
16. Dividends to policyholders (Line 17)	448,835	395,725	403,600	224,863	1,748,281
17. Federal and foreign income taxes incurred (Line 19)	13,941,700	11,548,798	(579,797)	(931,542)	925,276
18. Net income (Line 20)	57,035,346	50,439,300	62,879,883	22,982,670	(2,916,720)
Balance Sheet Lines (Pages 2 and 3)					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	1,451,183,408	1,359,557,442	1,266,041,120	1,184,196,877	1,163,050,335
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	28,006,945	26,018,564	23,345,893	23,709,400	28,566,347
20.2 Deferred and not yet due (Line 15.2)	125,382,429	114,739,863	105,891,340	97,012,813	94,574,465
20.3 Accrued retrospective premiums (Line 15.3)					
21. TOTAL liabilities excluding protected cell business (Page 3, Line 26)	745,381,290	719,461,428	646,631,253	673,740,060	705,226,894
22. Losses (Page 3, Line 1)	260,050,327	262,107,653	262,243,502	294,071,113	329,428,543
23. Loss adjustment expenses (Page 3, Line 3)	101,216,734	98,952,782	105,586,622	118,880,734	122,426,684
24. Unearned premiums (Page 3, Line 9)	263,403,060	243,008,615	223,204,912	208,328,995	207,418,217
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	705,802,121	640,096,008	619,409,852	510,456,804	457,823,424
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	67,249,643	65,674,880	32,125,920	(484,592)	(53,810,497)
Risk-Based Capital Analysis					
28. TOTAL adjusted capital	705,802,121	640,096,008	619,409,852	510,456,804	457,823,424
29. Authorized control level risk-based capital	64,830,805	60,347,367	57,482,707	58,325,260	59,541,864
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)					
(Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	60.5	59.5	62.4	64.3	68.4
31. Stocks (Lines 2.1 & 2.2)	33.3	33.5	31.2	28.2	25.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	3.6	3.9	4.4	4.9	5.2
34. Cash, cash equivalents and short-term investments (Line 5)	2.6	3.0	2.0	2.4	0.5
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				0.0	
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.2	0.1
38. Receivables for securities (Line 9)			0.1		
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)	148,284,227	137,021,600	126,924,429	116,121,815	109,982,405
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. TOTAL of above Lines 42 to 47	148,284,227	137,021,600	126,924,429	116,121,815	109,982,405
49. TOTAL investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)	21.0	21.4	20.5	22.7	24.0

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains or (Losses) (Line 24)	1,495,189	15,092,755	27,202,150	10,729,717	(3,156,319)
52. Dividends to stockholders (Line 35) .....	.....	.....	.....	.....	.....
53. Change in surplus as regards policyholders for the year (Line 38)	65,706,103	20,686,160	108,953,066	52,633,380	(9,855,689)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	93,867,685	97,898,614	101,808,388	104,245,314	113,530,694
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	69,461,875	63,702,325	57,940,177	61,471,562	69,693,134
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	125,255,445	133,348,746	132,718,119	167,168,628	231,680,309
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	.....	6,353	.....	.....	.....
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	.....	.....	.....	.....	.....
59. TOTAL (Line 35)	288,585,005	294,956,038	292,466,683	332,885,504	414,904,137
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	76,587,053	77,687,897	79,595,213	86,013,196	93,596,360
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	58,043,145	51,941,311	48,623,249	50,522,323	56,179,346
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	101,979,616	100,634,466	107,881,086	127,301,005	175,248,255
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34) .....	.....	5,336	.....	.....	.....
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	.....	.....	.....	.....	.....
65. TOTAL (Line 35)	236,609,814	230,269,012	236,099,549	263,836,524	325,023,961
Operating Percentages (Page 4)					
(Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	50.2	53.8	52.7	61.9	73.3
68. Loss expenses incurred (Line 3)	7.7	6.1	5.7	8.7	6.0
69. Other underwriting expenses incurred (Line 4)	35.1	33.8	34.5	32.9	30.6
70. Net underwriting gain (loss) (Line 8)	7.1	6.3	7.0	(3.6)	(9.8)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	33.1	31.8	32.7	32.1	31.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	57.8	59.8	58.4	70.7	79.3
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	69.1	69.9	64.9	72.5	82.1
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(29,834)	(22,964)	(36,896)	(22,380)	(46,981)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Column 1 x 100.0)	(4.7)	(3.7)	(7.2)	(4.9)	(10.0)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	(47,782)	(67,078)	(70,434)	(64,166)	(33,549)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0)	(7.7)	(13.1)	(15.4)	(13.7)	(6.7)

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

If no, please explain::

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	1,736	1,053	596	29	401	4	(112)	1,648	XXX	
2. 2006	480,739	25,976	454,763	221,705	6,809	16,280	369	25,301	1	9,788	256,108	XXX	
3. 2007	492,164	28,563	463,601	244,864	25,506	15,478	162	26,396	776	11,075	260,295	XXX	
4. 2008	492,794	35,906	456,888	362,272	90,258	14,905	213	30,218	3,596	11,627	313,327	XXX	
5. 2009	493,692	40,999	452,693	292,915	11,095	12,585	1,305	24,645	228	13,514	317,518	XXX	
6. 2010	483,486	50,238	433,248	312,500	23,557	9,415	2	23,542	316	13,141	321,582	XXX	
7. 2011	439,211	45,839	393,372	331,404	31,422	7,960	76	22,322	610	12,130	329,578	XXX	
8. 2012	420,929	51,980	368,949	244,910	3,863	7,012	0	17,621	128	10,980	265,552	XXX	
9. 2013	434,648	47,225	387,423	214,065	11,320	4,246	20	17,324	116	10,425	224,179	XXX	
10. 2014	468,912	40,951	427,961	204,224	5,249	2,035	3	18,028	91	10,705	218,945	XXX	
11. 2015	510,295	42,696	467,599	157,201	2,694	727		15,438	18	6,496	170,654	XXX	
12. Totals	XXX	XXX	XXX	2,587,797	212,825	91,240	2,180	221,236	5,883	109,770	2,679,385	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed					
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR											
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded										
1. Prior	25,181	11,797	19,019	3,884			5,854	765	4,879	192		38,295	XXX					
2. 2006	4,903	1,226	4,045	548			1,878	255	1,158	56	137	9,899	XXX					
3. 2007	7,558	3,294	5,380	1,856			2,186	248	1,648	105	247	11,268	XXX					
4. 2008	3,369		6,058	1,420			2,588	303	1,773	121	325	11,945	XXX					
5. 2009	3,452	950	5,379	1,163			3,475	930	1,673	74	483	10,863	XXX					
6. 2010	4,691	45	3,900	818			3,235	313	1,665	60	604	12,256	XXX					
7. 2011	5,508	7	5,005	916			3,353	371	2,066	99	785	14,540	XXX					
8. 2012	6,949	5	8,033	1,247			6,233	547	2,908	86	1,359	22,240	XXX					
9. 2013	18,538	697	8,576	2,189			8,793	663	3,966	160	2,015	36,164	XXX					
10. 2014	27,902	1,394	16,681	2,425			12,772	887	7,040	463	4,077	59,226	XXX					
11. 2015	62,305	3,227	59,116	12,392			15,615	858	14,530	518	8,984	134,572	XXX					
12. Totals	170,355	22,641	141,193	28,856			65,984	6,141	43,307	1,934	19,016	361,267	XXX					

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount		
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid	
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX				XXX	28,519	
2. 2006	275,271	9,264	266,007	57.3	35.7	58.5				84.0	7,174	
3. 2007	303,510	31,947	271,563	61.7	111.8	58.6				84.0	7,786	
4. 2008	421,183	95,911	325,272	85.5	267.1	71.2				84.0	8,007	
5. 2009	344,125	15,745	328,381	69.7	38.4	72.5				84.0	6,718	
6. 2010	358,949	25,111	333,838	74.2	50.0	77.1				84.0	7,729	
7. 2011	377,619	33,501	344,118	86.0	73.1	87.5				84.0	9,591	
8. 2012	293,667	5,874	287,793	69.8	11.3	78.0				84.0	13,731	
9. 2013	275,508	15,165	260,343	63.4	32.1	67.2				84.0	24,228	
10. 2014	288,682	10,512	278,170	61.6	25.7	65.0				84.0	40,764	
11. 2015	324,932	19,706	305,226	63.7	46.2	65.3				84.0	105,803	
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX				XXX	260,050	
											101,217	

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE **CENTRAL MUTUAL INSURANCE COMPANY**
SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior	221,973	209,255	219,791	197,203	192,836	185,506	194,215	180,038	178,802	174,747	(4,054)	(5,291)
2. 2006	248,976	243,558	243,870	261,666	252,897	245,339	244,041	240,782	240,761	239,605	(1,156)	(1,177)
3. 2007	XXX	265,120	266,997	261,135	273,023	256,608	251,274	249,955	244,649	244,399	(251)	(5,556)
4. 2008	XXX	XXX	319,065	317,580	314,716	321,335	306,821	300,957	298,254	296,997	(1,257)	(3,960)
5. 2009	XXX	XXX	XXX	324,103	333,962	319,349	321,783	310,308	304,475	302,365	(2,110)	(7,943)
6. 2010	XXX	XXX	XXX	XXX	344,392	336,703	329,524	322,710	311,247	309,007	(2,240)	(13,703)
7. 2011	XXX	XXX	XXX	XXX	XXX	335,116	329,918	324,772	323,849	320,440	(3,410)	(4,333)
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	262,945	274,103	271,406	267,477	(3,929)	(6,626)
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	238,522	245,740	239,328	(6,412)	807
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	258,672	253,656	(5,015)	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	275,794	XXX	XXX
12. TOTALS											(29,834)	(47,782)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior	000	48,349	85,225	107,629	120,947	126,670	132,005	137,541	139,889	141,140	XXX	XXX
2. 2006	127,902	170,956	193,543	210,616	219,184	223,153	226,595	228,899	230,005	230,808	XXX	XXX
3. 2007	XXX	131,002	177,536	200,958	216,916	225,435	230,340	232,106	233,327	234,674	XXX	XXX
4. 2008	XXX	XXX	165,966	224,060	251,824	269,450	275,974	280,025	282,208	286,706	XXX	XXX
5. 2009	XXX	XXX	XXX	182,099	244,334	267,050	279,246	286,368	291,115	293,101	XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	197,330	258,566	281,438	291,705	296,789	298,356	XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX	218,397	269,790	289,511	300,032	307,866	XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	170,961	220,317	238,092	248,059	XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	149,334	192,887	206,971	XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	151,949	201,008	XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	155,234	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior	94,203	73,422	69,052	44,663	39,630	32,262	39,152	25,181	24,287	20,224
2. 2006	58,665	36,357	22,039	32,680	20,000	11,446	10,201	6,069	5,915	5,120
3. 2007	XXX	71,562	47,269	26,330	32,115	16,206	13,873	11,503	6,976	5,462
4. 2008	XXX	XXX	85,655	50,486	30,114	27,966	19,110	11,041	8,027	6,923
5. 2009	XXX	XXX	XXX	74,769	50,592	25,820	28,393	15,147	8,816	6,762
6. 2010	XXX	XXX	XXX	XXX	77,110	36,326	25,917	18,641	8,486	6,004
7. 2011	XXX	XXX	XXX	XXX	XXX	48,350	22,422	11,177	9,209	7,072
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	30,043	22,182	16,538	12,473
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,456	27,101	14,517
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,761	26,142
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	61,482

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	Active Status	1 Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	L	22,300,195	20,767,947		10,615,531	7,920,730	11,180,561	104,846	
4. Arkansas (AR)	N								
5. California (CA)	L				15,968	(241,401)	1,099,841		
6. Colorado (CO)	L	11,038,549	9,703,654		6,214,193	6,374,346	3,061,658	32,490	
7. Connecticut (CT)	L	30,059,990	28,061,443	82,026	12,211,315	7,668,847	15,742,532	159,232	
8. Delaware (DE)	L								
9. District of Columbia (DC)	N								
10. Florida (FL)	N				3,476	(36,747)	740,945		
11. Georgia (GA)	L	65,044,184	61,855,786		26,205,260	30,049,729	30,798,429	227,195	
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	L	18,139,248	17,753,671		11,814,151	9,338,549	27,927,855	75,098	
15. Indiana (IN)	L	23,005,964	22,730,218		9,092,070	8,816,445	10,204,505	109,828	
16. Iowa (IA)	L								
17. Kansas (KS)	N								
18. Kentucky (KY)	L	1,098,745	532,373		110,918	207,327	110,338	1,804	
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	L	24,577	5,116			875	867	16	
22. Massachusetts (MA)	L	10,057,019	9,262,641		5,511,897	4,940,383	12,746,031	36,061	
23. Michigan (MI)	L	22,520,365	21,384,277		11,779,413	12,017,435	7,848,001	95,897	
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	L	10,718	12,583			(2,844)	9,313		
30. New Hampshire (NH)	L	10,894,322	10,194,145	22,274	5,339,251	4,850,479	9,291,401	36,290	
31. New Jersey (NJ)	L				2,967,951	(1,246,821)	13,946,885		
32. New Mexico (NM)	L	13,388,011	12,899,913		5,107,459	7,227,838	9,182,399	48,273	
33. New York (NY)	L	19,729,257	19,263,160		14,018,448	9,967,005	18,490,024	103,100	
34. North Carolina (NC)	L	70,338,702	68,372,463		32,852,643	34,568,089	25,950,734	297,423	
35. North Dakota (ND)	N								
36. Ohio (OH)	L	75,629,067	74,487,449		34,555,183	32,582,775	27,727,097	374,166	
37. Oklahoma (OK)	L	12,061,394	11,877,606		3,259,688	4,119,366	6,187,672	27,755	
38. Oregon (OR)	N								
39. Pennsylvania (PA)	L	55,285	110,466		300	7,753	29,224	248	
40. Rhode Island (RI)	N								
41. South Carolina (SC)	L	13,523,794	13,279,114		6,423,095	5,865,926	6,621,224	37,346	
42. South Dakota (SD)	N								
43. Tennessee (TN)	L	18,628,216	18,530,568		8,261,677	7,122,431	6,775,457	77,566	
44. Texas (TX)	L	128,771,099	123,134,350		57,715,515	65,899,552	48,363,783	467,031	
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	L	21,852,775	21,316,788		9,240,851	10,889,717	12,745,215	118,916	
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	L								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. TOTALS	(a) 27	588,171,476	565,535,731	104,300	273,316,253	268,907,784	306,781,991	2,430,581	

DETAILS OF WRITE-INS

58001.	X X X								
58002.	X X X								
58003.	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

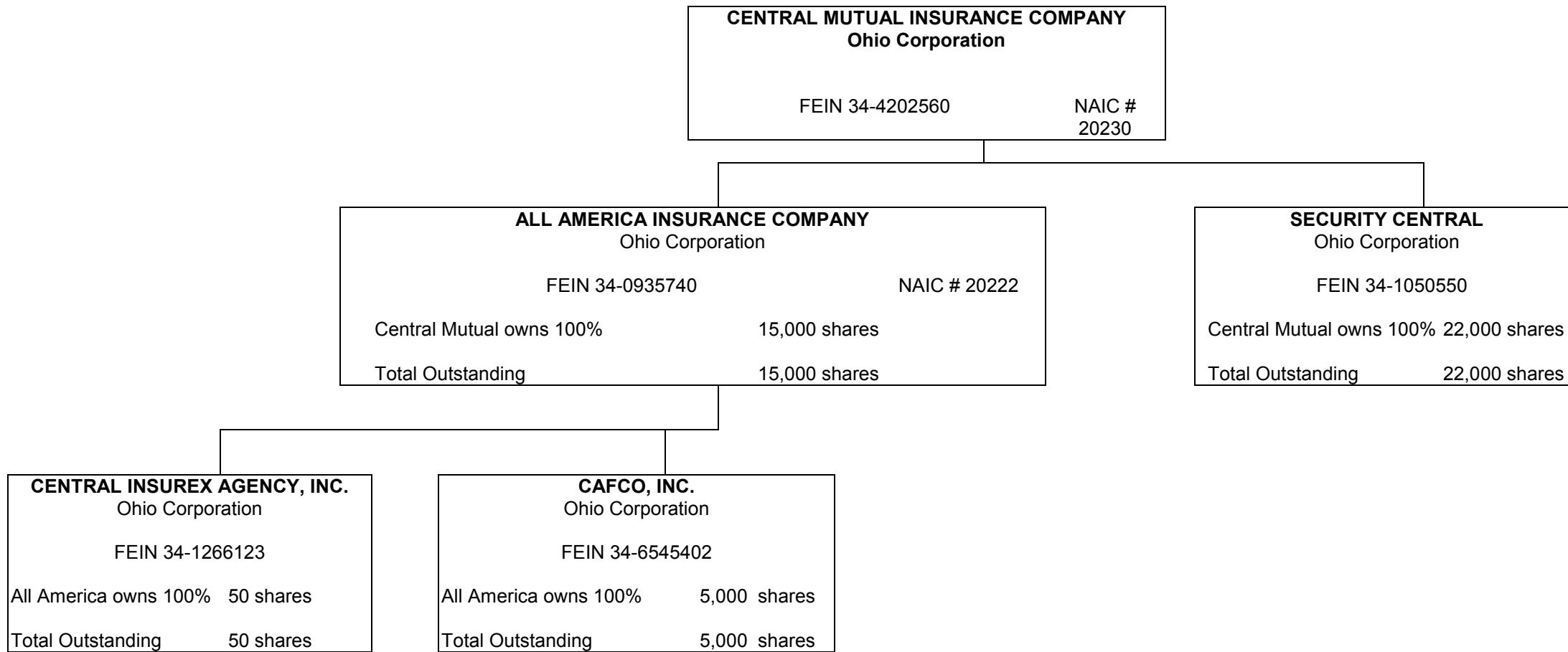
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

Explanation of basis of allocation of premiums by states, etc.: PREMIUMS ARE ALLOCATED ACCORDING TO THE FOLLOWING: WORKERS' COMPENSATION-THE LOCATIONS OF THE INSURED'S OPERATIONS; AUTOMOBILE LIABILITY AND AUTOMOBILE PHYSICAL DAMAGE-THE LOCATION OF THE PRINCIPAL GARAGE; GROUP ACCIDENT AND HEALTH AND OTHER ACCIDENT AND HEALTH-THE ADDRESS OF THE INSURED'S RESIDENCE; FIDELITY-THE LOCATION OF THE EMPLOYER OR INSURED; SURETY-THE PRINCIPAL, THE COURT, THE OBLIGEE, OR WORK. ALL OTHER PREMIUMS-THE LOCATIONS OF THE RISK.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

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