



QUARTERLY STATEMENT

AS OF MARCH 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code	0207	0207	NAIC Company Code	26123	Employer's ID Number	34-0359380
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	01/01/1906		Commenced Business	03/01/1906		
Statutory Home Office	1685 Cleveland Road		Wooster, OH, US 44691-0036			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	1685 Cleveland Road		Wooster, OH, US 44691-0036		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	1685 Cleveland Road		Wooster, OH, US 44691-0036			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1685 Cleveland Road		Wooster, OH, US 44691-0036		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Christopher M Racz, CPA		330-262-9060-2446			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	Christopher_Racz@wrg-ins.com		330-264-7822			
	(E-Mail Address)		(Fax Number)			

OFFICERS

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

OTHER OFFICERS

GREGORY A. BRUNN	VICE PRESIDENT -CHIEF MARKETING & UNDERWRITING OFFICER	GARY W. GWINN	VICE PRESIDENT -CHIEF CLAIMS OFFICER
GREGORY J. OWEN	VICE PRESIDENT -CHIEF INFORMATION OFFICER		

DIRECTORS OR TRUSTEES

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

State of .....Ohio.....

County of .....Wayne.....ss

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

KEVIN W. DAY PRESIDENT AND SECRETARY -CHIEF EXECUTIVE OFFICER	MICHAEL A. SHUTT VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER	a. Is this an original filing? Yes [X] No [ ]
Subscribed and sworn to before me this 11th day of May, 2016		b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached

Michele Young, Notary Public  
August 15, 2019

STATEMENT AS OF MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	125,397,258	0	125,397,258	127,133,505
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	74,192,300	313,328	73,878,972	72,887,651
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	5,022,315	0	5,022,315	5,054,153
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0	0	0	0
5. Cash (\$ .....26,696,385 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....3,724,799 ) .....	30,421,183	0	30,421,183	28,118,159
6. Contract loans (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	9,204,423	0	9,204,423	9,129,764
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	244,237,478	313,328	243,924,151	242,323,232
13. Title plants less \$ ..... charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	1,317,608	0	1,317,608	1,285,673
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	15,921,141	39,311	15,881,830	15,884,456
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	21,163	0	21,163	14,606
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	569,406
18.2 Net deferred tax asset .....	0	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	704,459	704,459	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ ..... ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	162,791	162,791	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	262,364,641	1,219,889	261,144,752	260,077,373
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	262,364,641	1,219,889	261,144,752	260,077,373
<b>DETAILS OF WRITE-INS</b>				
1101. ....		0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid Asset .....	162,791	162,791	0	0
2502. ....			0	0
2503. ....	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	162,791	162,791	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....7,942,629 ) .....	34,262,471	35,169,797
2. Reinsurance payable on paid losses and loss adjustment expenses .....	0	0
3. Loss adjustment expenses .....	7,402,964	7,402,963
4. Commissions payable, contingent commissions and other similar charges .....	2,209,663	3,787,801
5. Other expenses (excluding taxes, licenses and fees) .....	2,995,220	5,192,451
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,723,594	1,299,764
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	1,283,987	0
7.2 Net deferred tax liability .....	1,723,453	1,437,772
8. Borrowed money \$ ..... and interest thereon \$ .....	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	50,524,362	50,660,086
10. Advance premium .....	1,228,473	899,098
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	300,383	389,548
13. Funds held by company under reinsurance treaties .....	0	0
14. Amounts withheld or retained by company for account of others .....	1,214,729	2,305,733
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (including \$ ..... certified) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	0	0
20. Derivatives .....	0	0
21. Payable for securities .....	0	0
22. Payable for securities lending .....	0	0
23. Liability for amounts held under uninsured plans .....	0	0
24. Capital notes \$ ..... and interest thereon \$ .....	0	0
25. Aggregate write-ins for liabilities .....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	104,869,301	108,545,013
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	104,869,301	108,545,013
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	0	0
31. Preferred capital stock .....	0	0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....	0	0
34. Gross paid in and contributed surplus .....	0	0
35. Unassigned funds (surplus) .....	156,275,451	151,532,360
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....	0	0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	156,275,451	151,532,360
38. Totals (Page 2, Line 28, Col. 3)	261,144,752	260,077,373
DETAILS OF WRITE-INS		
2501. ....	0	0
2502. ....	0	0
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. ....	0	0
3202. ....	0	0
3203. ....	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 22,506,376 )	22,936,543	22,571,970	90,935,090
1.2 Assumed (written \$ 27,656,004 )	27,472,010	26,673,217	107,959,745
1.3 Ceded (written \$ 23,260,237 )	23,370,686	22,813,640	92,246,031
1.4 Net (written \$ 26,902,143 )	27,037,867	26,431,547	106,648,804
DEDUCTIONS:			
2. Losses incurred (current accident year \$ )::			
2.1 Direct	6,429,627	7,631,373	41,027,299
2.2 Assumed	14,271,384	16,185,611	60,065,025
2.3 Ceded	9,380,082	10,568,885	45,724,361
2.4 Net	11,320,929	13,248,099	55,367,963
3. Loss adjustment expenses incurred	2,568,310	2,433,371	11,221,490
4. Other underwriting expenses incurred	8,736,806	8,117,020	34,786,240
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	22,626,045	23,798,490	101,375,693
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	4,411,822	2,633,057	5,273,111
INVESTMENT INCOME			
9. Net investment income earned	1,247,543	1,166,521	4,975,372
10. Net realized capital gains (losses) less capital gains tax of \$ 61,392	119,172	1,381,907	(1,027,575)
11. Net investment gain (loss) (Lines 9 + 10)	1,366,715	2,548,428	3,947,797
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 23,545 )	(23,545)	(28,613)	(121,295)
13. Finance and service charges not included in premiums	397,761	416,075	1,620,489
14. Aggregate write-ins for miscellaneous income	12,159	(686)	4,437
15. Total other income (Lines 12 through 14)	386,375	386,776	1,503,631
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,164,912	5,568,262	10,724,539
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	6,164,912	5,568,262	10,724,539
19. Federal and foreign income taxes incurred	1,792,002	799,078	3,937,681
20. Net income (Line 18 minus Line 19)(to Line 22)	4,372,910	4,769,184	6,786,858
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	151,532,362	147,317,859	147,317,859
22. Net income (from Line 20)	4,372,910	4,769,184	6,786,858
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 268,644	521,486	(1,659,873)	(3,573,273)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(17,038)	(339,044)	1,028,036
27. Change in nonadmitted assets	(134,270)	(15,456)	(27,117)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	4,743,088	2,754,811	4,214,504
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	156,275,451	150,072,670	151,532,362
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income (Expense)	550	550	1,972
1402. Gain/(Loss) sale of Equipment	11,609	(1,236)	2,465
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	12,159	(686)	4,437
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	27,142,354	25,256,091	107,769,755
2. Net investment income .....	1,433,929	1,186,265	5,807,786
3. Miscellaneous income .....	386,375	386,776	1,503,631
4. Total (Lines 1 to 3) .....	28,962,657	26,829,132	115,081,172
5. Benefit and loss related payments .....	12,234,813	11,882,771	52,616,183
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	14,621,566	13,628,006	44,830,539
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	400,000	4,290,000
10. Total (Lines 5 through 9) .....	26,856,379	25,910,777	101,736,722
11. Net cash from operations (Line 4 minus Line 10) .....	2,106,279	918,355	13,344,450
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	3,490,652	2,730,529	16,563,097
12.2 Stocks .....	956,636	11,550,191	20,487,667
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	0	0	5,305,360
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	4,447,288	14,280,720	42,356,124
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	1,949,917	6,138,815	21,323,839
13.2 Stocks .....	1,053,458	10,584,855	26,644,667
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	31,555	13,908	20,839
13.5 Other invested assets .....	0	3,150,000	3,810,000
13.6 Miscellaneous applications .....	0	0	5,305,359
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	3,034,930	19,887,578	57,104,704
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	1,412,358	(5,606,858)	(14,748,580)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	(1,215,613)	(1,071,600)	(1,051,864)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(1,215,613)	(1,071,600)	(1,051,864)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	2,303,024	(5,760,103)	(2,455,993)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	28,118,159	30,574,152	30,574,152
19.2 End of period (Line 18 plus Line 19.1) .....	30,421,183	24,814,049	28,118,159

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

	State of Domicile	2016	2015
<u>NET INCOME</u>			
(1) LRMIC state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$ 4,372,910	\$ 6,786,858
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(1) NAIC SAP (1-2-3=4)		<u>\$ 4,372,910</u>	<u>\$ 6,786,858</u>
<u>SURPLUS</u>			
(2) LRMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 156,275,451	\$ 151,532,362
(3) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(4) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(5) NAIC SAP (5-6-7=8)		<u>\$ 156,275,451</u>	<u>\$ 151,532,362</u>

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

No significant changes.

C. Accounting Policy

No significant changes.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

NOTES TO FINANCIAL STATEMENTS

- D. Loan—Backed Securities
- Not applicable.
- E. Repurchase Agreements and/or Securities Lending Transactions
- Not applicable.
- F. Real Estate
- Not applicable.
- G. Low—income Housing Tax Credits (LIHTC)
- Not applicable.
- H. Restricted Assets
- The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. The stock owned is carried at \$364,000. The Company has no outstanding loans at March 31, 2016.
- I. Working Capital Finance Investments
- Not applicable.
- J. Offsetting and Netting of Assets and Liabilities
- Not applicable.
- K. Structured Notes
- Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

7. Investment Income

No significant changes.

8. Derivative Instruments

No significant changes.

9. Income Taxes

- A. The components of the net deferred tax asset/(liability) at March 31, 2016 and December 31, 2015 are as follows:

1.

	03/31/2016		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 6,579,755	\$ 2,127,213	\$ 8,706,968
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	6,579,755	\$ 2,127,213	\$ 8,706,968
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	6,579,755	\$ 2,127,213	\$ 8,706,968
(f) Deferred Tax Liabilities	(583,379)	(9,847,041)	(10,430,420)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)			
(h) (1e – 1f)	\$ 5,996,375	\$ (7,719,827)	\$ (1,723,451)

NOTES TO FINANCIAL STATEMENTS

		12/31/2015		
		(4)	(5)	(6)
		Ordinary	Capital	(Col 4+5) Total
(i)	Gross Deferred Tax Assets	\$ 6,488,882	\$ 2,193,821	\$ 8,682,703
(a)	Statutory Valuation Allowance Adjustments	—	—	—
(b)	Adjusted Gross Deferred Tax Assets (1a – 1b)	6,488,882	2,183,821	8,682,703
(c)	Deferred Tax Assets Nonadmitted	—	—	—
(d)	Subtotal Net Deferred Tax Asset (1c – 1d)	6,488,882	2,183,821	8,682,703
(e)	Deferred Tax Liabilities	(542,079)	(9,578,396)	(10,120,475)
(f)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 5,946,803</u>	<u>\$ (7,384,575)</u>	<u>\$ (1,437,772)</u>
		Change		
		(7)	(8)	(9)
		(Col 1—4) Ordinary	(Col 2—5) Capital	(Co 7+8) Total
(a)	Gross Deferred Tax Assets	\$ 90,873	\$ (66,608)	\$ 24,265
(b)	Statutory Valuation Allowance Adjustments	—	—	—
(c)	Adjusted Gross Deferred Tax Assets (1a – 1b)	90,873	\$ (66,608)	\$ 24,265
(d)	Deferred Tax Assets Nonadmitted	—	—	—
(e)	Subtotal Net Deferred Tax Asset (1c – 1d)	90,873	\$ (66,608)	\$ 24,265
(f)	Deferred Tax Liabilities	(41,300)	(268,645)	(309,945)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 49,572</u>	<u>\$ (355,252)</u>	<u>\$ (285,682)</u>

2. Admission Calculation Components SSAP No. 101

03/31/2016			
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 4,464,541	\$ 0	\$ 4,464,541
(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)	714,981	—	714,981
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	714,981	—	714,981
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	23,441,318
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>1,400,233</u>	<u>2,127,213</u>	<u>3,527,446</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 6,579,755</u>	<u>\$ 2,127,213</u>	<u>\$ 8,706,968</u>



NOTES TO FINANCIAL STATEMENTS

12/31/2015			
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 4,422,075	\$ —	\$ 4,422,075
(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)	684,915	—	684,915
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	684,915	—	684,915
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	22,729,854
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>1,381,892</u>	<u>2,193,821</u>	<u>3,575,713</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 6,488,882</u>	<u>\$ 2,193,821</u>	<u>\$ 8,682,703</u>
Change			
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 42,466	\$ —	\$ 42,466
(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)	30,605	—	30,605
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	30,605	—	30,605
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	711,464
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>18,341</u>	<u>(66,608)</u>	<u>(48,267)</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 90,873</u>	<u>\$ (66,608)</u>	<u>\$ 24,265</u>
3.			
2016		2015	
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%	
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 156,275,451	\$ 151,532,360	

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax—Planning Strategies

		03/31/2016	
		(1)	(2)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 6,579,755	\$ 2,127,213
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 6,579,755	\$ 2,127,213
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		12/31/2015	
		(3)	(4)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 6,488,882	\$ 2,193,821
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 6,488,882	\$ 2,193,821
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		Change	
		(5)	(6)
		(Col 1-3)	(Col 2-4)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 90,873	\$ (66,608)
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ (90,873)	\$ (66,608)
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
(b)	Does the Company's tax—planning strategies include the use of reinsurance?	Yes _____	No <u>X</u>
B.	The Company has no temporary differences for which deferred tax liabilities are not recognized.		

## NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)
	03/31/2016	12/31/2015	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 1,792,001	\$ 3,937,681	\$ (2,145,680)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 1,792,001	\$ 3,937,681	\$ (2,145,680)
(d) Federal income tax on net capital gains	\$ 61,392	\$ (529,357)	\$ 590,749
(e) Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 1,853,393</u>	<u>\$ 3,408,324</u>	<u>\$ (1,554,931)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 498,349	\$ 498,349	\$ —
(2) Unearned premium reserve	\$ 3,435,655	\$ 3,444,885	\$ (9,230)
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed assets	\$ 295,760	\$ 252,377	\$ 43,383
(8) Compensation and benefits accrual	\$ 439,016	\$ 436,086	\$ 2,930
(9) Pension accrual	\$ 262,386	\$ 264,328	\$ (1,942)
(10) Receivables – nonadmitted	\$ 12,471	\$ 12,471	\$ —
(11) Net operating loss carry—forward	\$ —	\$ —	\$ —
(12) Tax credit carry—forward	\$ —	\$ —	\$ —
(13) Other (including items <5% of total ordinary tax assets):			
(14) Salvage and subrogation anticipated	\$ 1,090,543	\$ 1,090,543	\$ —
(15) Software capitalized	\$ 447,628	\$ 428,559	\$ 19,069
(16) Other	\$ 97,946	\$ 61,284	\$ 36,662
(99) Subtotal	<u>\$ 6,579,755</u>	<u>\$ 6,488,882</u>	<u>\$ 90,873</u>
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 6,579,755</u>	<u>\$ 6,488,882</u>	<u>\$ 90,873</u>
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry—forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 2,117,863	\$ 2,184,471	\$ (66,608)
(6) Other	\$ 9,350	\$ 9,350	\$ —
(99) Subtotal	<u>\$ 2,127,213</u>	<u>\$ 2,193,821</u>	<u>\$ (66,608)</u>
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 2,127,213</u>	<u>\$ 2,193,821</u>	<u>\$ (66,608)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 8,706,968</u>	<u>\$ 8,682,703</u>	<u>\$ 24,265</u>
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (282,586)	\$ (280,015)	\$ (2,572)
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities):			
(6) Accumulated amortization software	\$ (271,670)	\$ (248,097)	\$ (23,573)
(7) Tax over book depreciation	\$ (29,123)	\$ (13,967)	\$ (15,156)
(99) Subtotal	<u>\$ (583,379)</u>	<u>\$ (542,079)</u>	<u>\$ (41,300)</u>
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (9,847,041)	\$ (9,578,396)	\$ (268,645)
(99) Subtotal	<u>\$ (9,847,041)</u>	<u>\$ (9,578,396)</u>	<u>\$ (268,645)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (10,430,420)</u>	<u>\$ (10,120,475)</u>	<u>\$ (309,945)</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ (1,723,452)</u>	<u>\$ (1,437,772)</u>	<u>\$ (285,680)</u>

NOTES TO FINANCIAL STATEMENTS

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

	<u>03/31/2016</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 2,116,943	34.0%
Tax exempt interest	(95,975)	(1.5%)
Dividends received deduction	(84,212)	(1.4%)
Change in deferred tax on nonadmitted assets	43,383	0.7%
Other	<u>(143,781)</u>	<u>(2.3%)</u>
Total	<u>\$ 1,836,358</u>	<u>29.5%</u>
Federal and foreign income taxes incurred	\$ 1,792,001	28.8%
Tax on capital gains (losses)	61,392	1.0%
Change in net deferred income taxes	<u>(17,035)</u>	<u>(0.3%)</u>
Total statutory income taxes	<u>\$ 1,836,358</u>	<u>29.5%</u>

- E. Carry—forwards, recoverable taxes, and IRS §6603 deposits:
- (1) As of March 31, 2016, the Company had no net operating loss or net capital loss carry—forwards available for tax purposes.
- As of March 31, 2016, the Company had no alternative minimum tax (AMT) credit carry—forwards.
- (2) As of March 31, 2016, the Company had federal income taxes incurred available for recoupment in the event of future net losses of \$6,629,952.
- (3) The Company has no deposits reported as admitted assets under IRC §6603 as of March 31, 2016.
- F. The Company files an individual federal income tax return.

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At March 31, 2016, there were no intercompany balances due to and/or due from its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. No significant changes.
- G. No significant changes.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. No significant changes.

11. Debt

- A. The Company has no outstanding debentures at March 31, 2016 nor December 31, 2015.
- B. FHLB (Federal Home Loan Bank) Agreements
- (1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. As of March 31, 2016, the Company has not issued debt to the FHLB in exchange for cash. It is part of the Company’s strategy to utilize these funds for operations, and any funds obtained from the FHLB of Cincinnati for use in general operations would be accounted for consistent with SSAP No. 15, *Debt and Holding Company Obligations* as borrowed money. The Company has determined the estimated maximum borrowing capacity as \$73,600,536. The Company calculated this amount in accordance with the Company’s holdings of U.S. Treasuries, U.S. Agencies, U.S. Agency residential and commercial mortgage backed securities, and eligible municipal securities including both revenue and general obligation bonds that meet minimum FHLB credit risk requirements.

NOTES TO FINANCIAL STATEMENTS

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

a.	Membership Stock – Class A
b.	Membership Stock – Class B
c.	Activity Stock
d.	Excess Stock
e.	Aggregate Total
f.	Actual or Estimated Borrowing Capacity as Determined by the Insurer

(1)	(2)	(3)
Total 2 + 3	General Account	Separate Accounts
\$ —	\$ —	\$ —
\$ 306,092	\$ 306,092	\$ —
\$ —	\$ —	\$ —
\$ 57,908	\$ 57,908	\$ —
<u>\$ 364,000</u>	<u>\$ 364,000</u>	<u>\$ —</u>
<u>\$ 73,600,536</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

2. Prior Year

a.	Membership Stock – Class A
b.	Membership Stock – Class B
c.	Activity Stock
d.	Excess Stock
e.	Aggregate Total
g.	Actual or Estimated Borrowing Capacity as Determined by the Insurer

(1)	(2)	(3)
Total 2 + 3	General Account	Separate Accounts
\$ —	\$ —	\$ —
\$ 364,000	\$ 364,000	\$ —
\$ —	\$ —	\$ —
\$ —	\$ —	\$ —
<u>\$ 364,000</u>	<u>\$ 364,000</u>	<u>\$ —</u>
<u>\$ 74,208,374</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

b. Membership Stock Eligible for Redemption

Membership Stock	Current Year Total	Not Eligible For Redemption	Less Than Six Months	Six Months to Less Than a Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2. Class B	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 364,000

C. Collateral pledged to the FHLB

Not applicable.

D. Borrowing from FHLB

Not applicable.

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

A. Defined Benefit Plans

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

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of March 31, 2016 and December 31, 2015, amounts held for these deferrals were \$1.1 million and \$2.2 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

E. Defined Contribution Plans

No significant changes.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

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

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$29.0 million and \$23.0 million at March 31, 2016 and December 31, 2015, respectively.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

### 14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable.

B. Assessments

No significant changes.

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

No significant changes.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Not applicable.

### 15. Leases

No significant changes.

## NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

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

#### A. Transfers of Receivables Reported as Sales

Not applicable.

#### B. Transfer and Servicing of Financial Assets

Not applicable.

#### C. Wash Sales

Not applicable.

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

#### A. ASO Plans

Not applicable.

#### B. ASC Plans

Not applicable.

#### C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

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

Not applicable.

### 20. Fair Value Measurements

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

#### Level 1:

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

#### Level 2:

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

#### Level 3:

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

NOTES TO FINANCIAL STATEMENTS

(1) Fair Value Measurements at March 31, 2016:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred Stock:				
Industrial and Misc	\$ —	\$ —	\$ —	\$ —
Total Perpetual Preferred Stocks	—	—	—	—
Common Stock:				
Mutual Funds	22,875,482	—	—	22,875,482
Industrial and Misc	50,407,266	364,000	232,224	51,003,490
Total Common Stocks	73,282,748	364,000	232,224	73,878,972
Other Invested Assets	—	9,204,423	—	9,204,423
Total assets at fair value	<u>\$ 73,282,748</u>	<u>\$ 9,568,423</u>	<u>\$ 232,224</u>	<u>\$ 83,083,395</u>
b. Liabilities at fair value:				
Not applicable.				

Fair Value Measurements at December 31, 2015:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Perpetual Preferred Stock:				
Industrial and Misc	\$ —	\$ —	\$ —	\$ —
Total Perpetual Preferred Stock	—	—	—	—
Common Stock:				
Mutual Funds	604,113	—	—	604,113
Industrial and Misc	71,687,314	364,000	232,224	72,283,538
Total Common Stocks	72,291,427	364,000	232,224	72,887,651
Other Invested Assets	—	9,129,764	—	9,129,764
Total assets at fair value	<u>\$ 72,291,427</u>	<u>\$ 9,493,764</u>	<u>\$ 232,224</u>	<u>\$ 82,017,415</u>
b. Liabilities at fair value:				
Not applicable.				

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

	Beginning Balance at 01/01/2016	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases (Sales)	Ending Balance at 03/31/2016
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 232,224	\$ —	\$ —	\$ —	\$ —	\$ 232,224
Other Invested Assets	—	—	—	—	—	—
Total Assets	<u>\$ 232,224</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 232,224</u>
b. Liabilities:						
Not applicable.						

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

(4) As of March 31, 2016, the reported fair value of the entity’s investments categorized within Level 3 of the fair value hierarchy is as follows:

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

B. Not applicable.

C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 131,022,734	\$ 125,397,258	\$ 8,105,828	\$ 122,916,906	\$ —	\$ —
Perpetual Preferred Stock	—	—	—	—	—	—
Common Stock	73,878,972	73,878,972	73,282,748	364,000	232,224	—
Other Invested Assets	9,204,423	9,204,423	—	9,204,423	—	—

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



## NOTES TO FINANCIAL STATEMENTS

### 21. Other Items

- A. Extraordinary Items  
Not applicable.
- B. Troubled Debt Restructuring: Debtors  
Not applicable.
- C. Other Disclosures and Unusual Items  
Not applicable.
- D. Business Interruption Insurance Recoveries  
Not applicable.
- E. State Transferable and Non—Transferrable Tax Credits  
Not applicable.
- F. Subprime Mortgage Related Risk Exposure  
Not applicable.

### 22. Events Subsequent

#### Type I – Recognized Subsequent Events:

Subsequent events have been considered through May 13, 2016 for the statutory statement issued on May 13, 2016 for the quarter ending March 31, 2016. No Type I events were identified that would have a material effect on the financial condition of the Company.

#### Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through May 13, 2016 for the statutory statement issued on May 13, 2016 for the quarter ending March 31, 2016. No Type II events were identified that would have a material effect on the financial condition of the Company.

### 23. Reinsurance

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

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

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

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

Reserves as of December 31, 2015 were \$42.6 million. During 2016, \$7.8 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$34.0 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$.8 million favorable prior year development from December 31, 2015 to March 31, 2016. Favorable development in auto physical damage, homeowner, farmowner, other property and other liability lines of insurance were offset, in part, by unfavorable development in commercial auto liability and commercial multi-peril lines of insurance. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

### 26. Intercompany Pooling Agreements

No significant changes.

### 27. Structured Settlements

Not applicable.

### 28. Health Care Receivables

Not applicable.

### 29. Participating Policies

Not applicable.

### 30. Premium Deficiency Reserves

No significant changes.

### 31. High Deductibles

Not applicable.

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

No significant changes.

### 33. Asbestos/Environmental Reserves

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

NOTES TO FINANCIAL STATEMENTS

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes ( x ) No ( )

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
(1) Direct –					
1) Beginning reserves:	\$ 14	\$ 41	\$ 86	\$ 45	\$ 45
2) Incurred losses and loss adjustment expense:	39	95	39	0	0
3) Calendar year payments for losses and loss adjustment expenses:	<u>12</u>	<u>50</u>	<u>80</u>	<u>0</u>	<u>0</u>
4) Ending reserves:	<u>\$ 41</u>	<u>\$ 86</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 45</u>
(2) Assumed Reinsurance:					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(3) Net of Ceded Reinsurance:					
1) Beginning reserves:	\$ 14	\$ 41	\$ 86	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	39	54	(86)	—	—
3) Calendar year payments for loss and loss adjustment expenses:	<u>12</u>	<u>10</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ 41</u>	<u>\$ 86</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

E. State the amount of ending reserves for Bulk + IBNR included in D (Loss and LAE):

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

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

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

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

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

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

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☒ NA ☐
- If yes, attach an explanation.
- 6.1

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

12/31/2011
- 6.2

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

12/31/2011
- 6.3

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

11/26/2012
- 6.4

By what department or departments?

Ohio
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 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 ☒
- 8.4

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

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

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  
(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.

Yes [X] No [ ]
- 9.11

If the response to 9.1 is No, please explain:  
.....
- 9.2

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

Yes [ ] No [X]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).  
.....
- 9.3

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

Yes [ ] No [X]
- 9.31

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

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [ ] No [X]
- 10.2

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

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes [ ] No [X]
- 11.2

If yes, give full and complete information relating thereto:  
.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0
13.

Amount of real estate and mortgages held in short-term investments: .....\$ .....0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes [X] No [ ]
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....306,654	\$ .....313,328
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....306,654	\$ .....313,328
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes [ ] No [X]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....

Yes [ ] No [ ]
- If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....
- 16.3 Total payable for securities lending reported on the liability page

\$ .....

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Eaton Vance Management.....	Two International Place Boston, MA 02110.....	Not accounted for by Northern Trust.....

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

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

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

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

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

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? .....
- 18.2 If no, list exceptions: .....
- Yes ☒ No ☐

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [X] NA [ ]  
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]  
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]  
3.2 If yes, give full and complete information thereto.  
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? ..... Yes [ ] No [X]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
TOTAL			0	0	0	0	0	0	0	0

5. Operating Percentages:  
5.1 A&H loss percent ..... 0.0 %  
5.2 A&H cost containment percent ..... 0.0 %  
5.3 A&H expense percent excluding cost containment expenses ..... 0.0 %  
6.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [X]  
6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$  
6.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [X]  
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$





SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL..N		.0		.0		.0
2. Alaska	AK..N		.0		.0		.0
3. Arizona	AZ..N		.0		.0		.0
4. Arkansas	AR..N		.0		.0		.0
5. California	CA..N		.0		.0		.0
6. Colorado	CO..N		.0		.0		.0
7. Connecticut	CT..N		.0		.0		.0
8. Delaware	DE..N		.0		.0		.0
9. Dist. Columbia	DC..N		.0		.0		.0
10. Florida	FL..N		.0		.0		.0
11. Georgia	GA..N		.0		.0		.0
12. Hawaii	HI..N		.0		.0		.0
13. Idaho	ID..N		.0		.0		.0
14. Illinois	IL..L		.0		.0		.0
15. Indiana	IN..L	6,090,129	6,162,911	2,305,868	2,510,257	4,470,123	5,371,571
16. Iowa	IA..N		.0		.0		.0
17. Kansas	KS..N		.0		.0		.0
18. Kentucky	KY..N		.0		.0		.0
19. Louisiana	LA..N		.0		.0		.0
20. Maine	ME..N		.0		.0		.0
21. Maryland	MD..N		.0		.0		.0
22. Massachusetts	MA..N		.0		.0		.0
23. Michigan	MI..N		.0		.0		.0
24. Minnesota	MN..N		.0		.0		.0
25. Mississippi	MS..N		.0		.0		.0
26. Missouri	MO..N		.0		.0		.0
27. Montana	MT..N		.0		.0		.0
28. Nebraska	NE..N		.0		.0		.0
29. Nevada	NV..N		.0		.0		.0
30. New Hampshire	NH..N		.0		.0		.0
31. New Jersey	NJ..N		.0		.0		.0
32. New Mexico	NM..N		.0		.0		.0
33. New York	NY..N		.0		.0		.0
34. No. Carolina	NC..N		.0		.0		.0
35. No. Dakota	ND..N		.0		.0		.0
36. Ohio	OH..L	16,416,247	15,866,677	5,181,467	6,348,715	22,406,736	19,022,999
37. Oklahoma	OK..N		.0		.0		.0
38. Oregon	OR..N		.0		.0		.0
39. Pennsylvania	PA..N		.0		.0		.0
40. Rhode Island	RI..N		.0		.0		.0
41. So. Carolina	SC..N		.0		.0		.0
42. So. Dakota	SD..N		.0		.0		.0
43. Tennessee	TN..L		.0		.0		.0
44. Texas	TX..N		.0		.0		.0
45. Utah	UT..N		.0		.0		.0
46. Vermont	VT..N		.0		.0		.0
47. Virginia	VA..N		.0		.0		.0
48. Washington	WA..N		.0		.0		.0
49. West Virginia	WV..N		.0		.0		.0
50. Wisconsin	WI..N		.0		.0		.0
51. Wyoming	WY..N		.0		.0		.0
52. American Samoa	AS..N		.0		.0		.0
53. Guam	GU..N		.0		.0		.0
54. Puerto Rico	PR..N		.0		.0		.0
55. U.S. Virgin Islands	VI..N		.0		.0		.0
56. Northern Mariana Islands	MP..N		.0		.0		.0
57. Canada	CAN..N		.0		.0		.0
58. Aggregate Other Alien	OT..XXX	.0	.0	.0	.0	.0	.0
59. Totals	(a) 4	22,506,376	22,029,588	7,487,335	8,858,972	26,876,859	24,394,570
DETAILS OF WRITE-INS							
58001.	XXX						
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page.	XXX	.0	.0	.0	.0	.0	.0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0

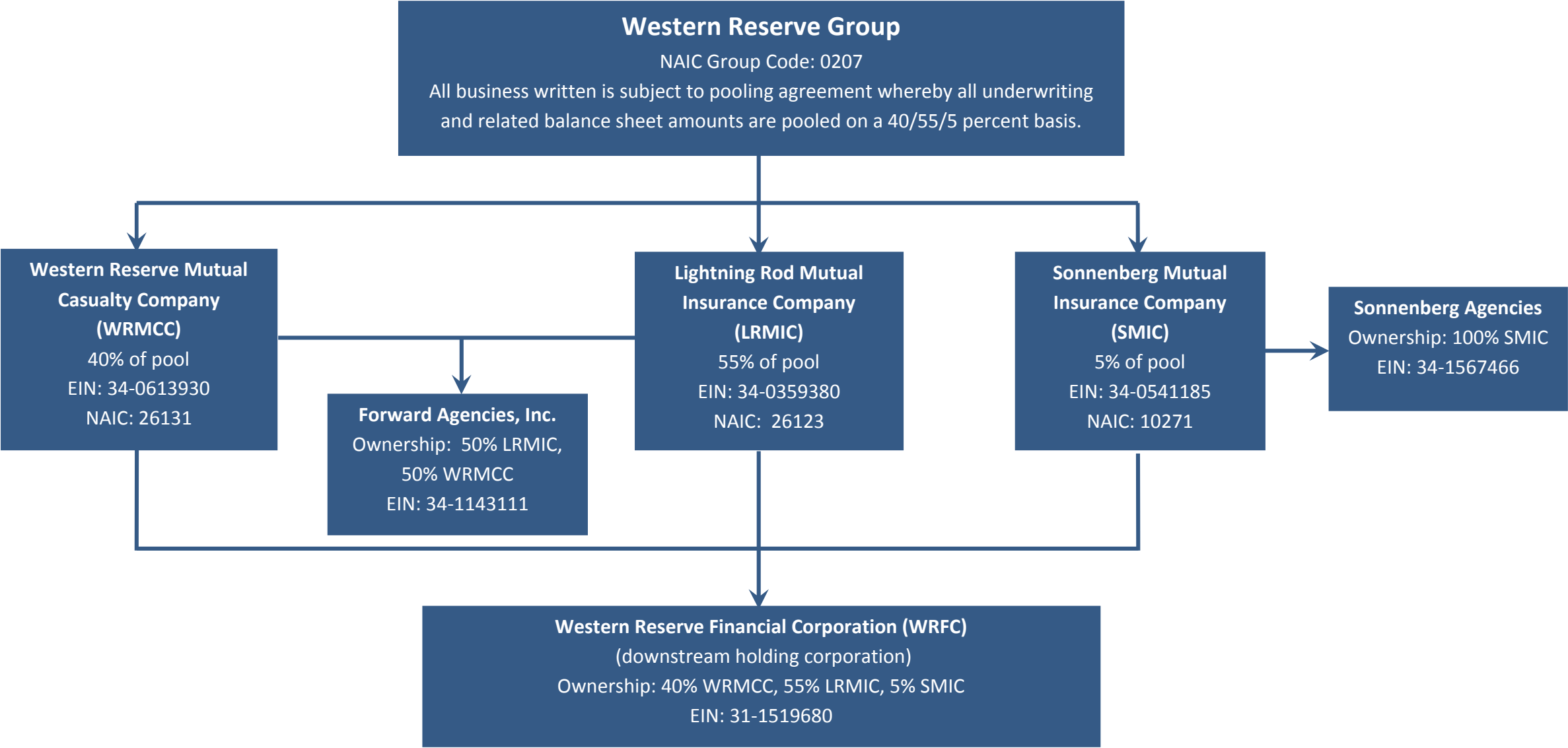
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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

PART 1 – ORGANIZATIONAL CHART

11



**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

Asterisk	Explanation

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire	2,045	0	0.0	0.0
2.	Allied lines	2,261	0	0.0	0.0
3.	Farmowners multiple peril	5,322,857	1,130,413	21.2	27.4
4.	Homeowners multiple peril	8,474,813	1,704,007	20.1	28.2
5.	Commercial multiple peril	2,801,573	852,684	30.4	8.0
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine	285,289	85,231	29.9	6.9
10.	Financial guaranty			0.0	0.0
11.1	Medical professional liability -occurrence			0.0	0.0
11.2	Medical professional liability -claims made			0.0	0.0
12.	Earthquake	6,046		0.0	0.0
13.	Group accident and health			0.0	0.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation			0.0	0.0
17.1	Other liability occurrence	145,342	700	0.5	(14.9)
17.2	Other liability-claims made	15,600	35,000	224.4	0.0
17.3	Excess Workers' Compensation	0		0.0	0.0
18.1	Products liability-occurrence	9,120		0.0	289.2
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	2,185,107	637,344	29.2	66.8
19.3,19.4	Commercial auto liability	1,181,680	724,227	61.3	32.3
21.	Auto physical damage	2,337,260	1,198,294	51.3	71.2
22.	Aircraft (all perils)	0		0.0	0.0
23.	Fidelity	0		0.0	0.0
24.	Surety	0		0.0	0.0
26.	Burglary and theft	12,188	0	0.0	0.0
27.	Boiler and machinery	155,362	61,727	39.7	0.1
28.	Credit	0		0.0	0.0
29.	International	0		0.0	0.0
30.	Warranty	0		0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	22,936,543	6,429,627	28.0	33.8
DETAILS OF WRITE-INS					
3401.				0.0	0.0
3402.				0.0	0.0
3403.				0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	1,904	1,904	14,626
2.	Allied lines	1,444	1,444	14,291
3.	Farmowners multiple peril	5,199,375	5,199,375	5,144,927
4.	Homeowners multiple peril	7,167,006	7,167,006	6,749,394
5.	Commercial multiple peril	3,023,685	3,023,685	3,004,337
6.	Mortgage guaranty	0	0	0
8.	Ocean marine	0	0	0
9.	Inland marine	340,668	340,668	297,123
10.	Financial guaranty	0	0	0
11.1	Medical professional liability-occurrence	0	0	0
11.2	Medical professional liability-claims made	0	0	0
12.	Earthquake	11,923	11,923	8,563
13.	Group accident and health	0	0	0
14.	Credit accident and health	0	0	0
15.	Other accident and health	0	0	0
16.	Workers' compensation	0	0	0
17.1	Other liability occurrence	161,061	161,061	150,539
17.2	Other liability-claims made	12,574	12,574	9,354
17.3	Excess Workers' Compensation	0	0	0
18.1	Products liability-occurrence	6,310	6,310	7,006
18.2	Products liability-claims made	0	0	0
19.1,19.2	Private passenger auto liability	2,402,193	2,402,193	2,550,771
19.3,19.4	Commercial auto liability	1,386,358	1,386,358	1,263,738
21.	Auto physical damage	2,603,977	2,603,977	2,655,448
22.	Aircraft (all perils)	0	0	0
23.	Fidelity	0	0	0
24.	Surety	0	0	0
26.	Burglary and theft	13,805	13,805	13,606
27.	Boiler and machinery	174,093	174,093	145,865
28.	Credit	0	0	0
29.	International	0	0	0
30.	Warranty	0	0	0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	22,506,376	22,506,376	22,029,588
DETAILS OF WRITE-INS				
3401.		0		0
3402.		0		0
3403.		0		0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2016 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2013 + Prior .....	8,180	871	9,051	1,008	4	1,012	6,505	15	642	7,162	(667)	(210)	(877)
2. 2014 .....	10,122	712	10,834	1,065	15	1,080	8,469	25	660	9,154	(588)	(12)	(600)
3. Subtotals 2014 + prior .....	18,302	1,583	19,885	2,073	19	2,092	14,974	40	1,302	16,316	(1,255)	(222)	(1,477)
4. 2015 .....	17,676	5,012	22,688	5,705	(25)	5,680	14,957	236	2,542	17,735	2,986	(2,259)	727
5. Subtotals 2015 + prior .....	35,978	6,595	42,573	7,778	(6)	7,772	29,931	276	3,844	34,051	1,731	(2,481)	(750)
6. 2016 .....	XXX	XXX	XXX	XXX	7,024	7,024	XXX	4,981	2,635	7,616	XXX	XXX	XXX
7. Totals .....	35,978	6,595	42,573	7,778	7,018	14,796	29,931	5,257	6,479	41,667	1,731	(2,481)	(750)
8. Prior Year-End Surplus As Regards Policy-holders	151,532										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 4.8	2. (37.6)	3. (1.8)
											Col. 13, Line 7 Line 8		
											4. (0.5)		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.
2.
3.

Bar Code:

1.

261232016490000001

2.

261232016455000001

3.

261232016365000001

**OVERFLOW PAGE FOR WRITE-INS**

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SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	5,054,153	5,286,140
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	31,555	20,839
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....	63,393	252,826
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	5,022,315	5,054,153
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	5,022,315	5,054,153

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	9,129,764	5,758,731
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		3,810,000
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....	74,659	(438,967)
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	9,204,423	9,129,764
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	9,204,423	9,129,764

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	200,327,812	196,591,953
2. Cost of bonds and stocks acquired .....	3,003,375	47,968,506
3. Accrual of discount .....	13,668	66,718
4. Unrealized valuation increase (decrease) .....	715,471	(4,975,083)
5. Total gain (loss) on disposals .....	180,564	3,748,428
6. Deduct consideration for bonds and stocks disposed of .....	4,447,288	37,050,764
7. Deduct amortization of premium .....	203,984	716,586
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other-than-temporary impairment recognized .....		5,305,360
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	199,589,618	200,327,812
11. Deduct total nonadmitted amounts .....	313,328	306,654
12. Statement value at end of current period (Line 10 minus Line 11) .....	199,276,291	200,021,158



STATEMENT AS OF MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	123,428,601	7,860,501	7,578,068	(1,687,619)	122,023,415	0	0	123,428,601
2. NAIC 2 (a).....	5,621,308			1,477,332	7,098,640	0	0	5,621,308
3. NAIC 3 (a).....	0				0	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	129,049,909	7,860,501	7,578,068	(210,287)	129,122,055	0	0	129,049,909
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	0				0	0	0	0
9. NAIC 2 .....	0				0	0	0	0
10. NAIC 3 .....	0				0	0	0	0
11. NAIC 4 .....	0				0	0	0	0
12. NAIC 5 .....	0				0	0	0	0
13. NAIC 6 .....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	129,049,909	7,860,501	7,578,068	(210,287)	129,122,055	0	0	129,049,909

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

NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	3,724,798	XXX	3,724,798	142	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,916,395	8,651,194
2. Cost of short-term investments acquired .....	5,910,585	54,039,613
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	4,102,181	60,774,412
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,724,799	1,916,395
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	3,724,799	1,916,395

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

# STATEMENT AS OF MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

## SCHEDULE A - PART 2

**Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter**

[illegible]

## SCHEDULE A - PART 3

**Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"**

[illegible]

EO1

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator <sup>(a)</sup>
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
082887-PB-0	Benton Cnty WA Sch Dist #17		03/16/2016	D A Davidson & Co.		527,510	500,000		1FE
105314-PH-5	Brandon Valley Sch Dis SD		02/25/2016	D A Davidson & Co.		311,333	250,000		1FE
118295-CY-8	Buckeye Valley OH LSD Deleware Cnt		02/05/2016	Fifth Third Securities, Inc.		231,810	200,000		1FE
48068T-BL-7	Joplin MO Schools		03/30/2016	Raymond James & Associates, Inc.		624,522	600,000		1FE
736560-MP-5	Portland ME GO Bds		03/02/2016	Raymond James & Associates, Inc.		254,742	200,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						1,949,917	1,750,000	0	XXX
8399997 - Subtotals - Bonds - Part 3						1,949,917	1,750,000	0	XXX
8399999 - Subtotals - Bonds						1,949,917	1,750,000	0	XXX
Common Stocks - Industrial and Miscellaneous									
02079K-30-5	Alphabet Inc Cap Stk CL A		03/23/2016	Northern Trust	189,000	143,137			L
030975-10-6	Amerigas Partners LP MLP		03/03/2016	Harvest Investment Manager	477,000	19,459			L
03673L-10-3	Antero Midstream Partners LP MLP		03/30/2016	Harvest Investment Manager	342,000	7,123			L
096627-10-4	Boardwalk Pipeline Partners LP		03/30/2016	Harvest Investment Manager	707,000	9,086			L
118230-10-1	Buckey Partners LP MLP		03/30/2016	Harvest Investment Manager	537,000	34,542			L
16411R-20-8	Cheniere Energy Inc Com		03/03/2016	Harvest Investment Manager	954,000	34,563			L
16411W-10-8	Cheniere Energy Partners Higs LLC		03/03/2016	Harvest Investment Manager	187,000	3,218			L
16411Q-10-1	Cheniere Energy Partners LP		03/10/2016	Harvest Investment Manager	698,000	17,099			L
198280-10-9	Columbia Pipeline Group Inc		03/03/2016	Harvest Investment Manager	437,000	7,894			L
198281-10-7	Columbia Pipeline Partners MLP LP		03/03/2016	Harvest Investment Manager	372,000	6,207			L
22758A-10-5	CrossAmerica Partners LP Unit Ltd		03/15/2016	Harvest Investment Manager	8,000	193			L
23311P-10-0	DCP Midstream Partners LP		03/30/2016	Harvest Investment Manager	92,000	2,473			L
29250R-10-6	Enbridge Energy Partners LP MLP		03/30/2016	Harvest Investment Manager	1,500,000	24,877			L
29273V-10-0	Energy Transfer Equity LP MLP		01/08/2016	Harvest Investment Manager	1,596,000	16,222			L
29273R-10-9	Energy Transfer Partners LP MLP		03/03/2016	Harvest Investment Manager	610,000	17,795			L
371927-10-4	Genesis Energy LP MLP		03/15/2016	Harvest Investment Manager	2,241,000	60,541			L
49456B-10-1	Kinder Morgan Inc Del Comm		02/17/2016	Harvest Investment Manager	465,000	7,433			L
55336V-10-0	MPLX LP Com MLP		03/03/2016	Harvest Investment Manager	856,000	23,030			L
62913M-10-7	NGL Energy Partners LP		01/08/2016	Harvest Investment Manager	394,000	4,781			L
67058H-10-2	Nustar Energy LP MLP		02/17/2016	Harvest Investment Manager	142,000	4,744			L
682680-10-3	Oneok Inc Com Stk		02/17/2016	Harvest Investment Manager	295,000	6,453			L
68268N-10-3	Oneok Partners LP MLP		02/26/2016	Harvest Investment Manager	249,000	6,791			L
718546-10-4	Phillips 66 Com Stk		03/15/2016	Harvest Investment Manager	679,000	58,150			L
72651A-10-8	Plains GP Hldgs LP CL A MLP		03/15/2016	Harvest Investment Manager	576,000	4,304			L
762819-10-0	Rice Midstream Partners LP MLP		03/15/2016	Harvest Investment Manager	137,000	1,856			L
81663A-10-5	Semgroup Corp CL A		03/15/2016	Harvest Investment Manager	1,590,000	30,615			L
864482-10-4	Suburban Propane Partners LP		03/30/2016	Harvest Investment Manager	329,000	8,761			L
87612G-10-1	Targa Resources Corp		02/17/2016	Stock Merger	2,169,380	57,357			L
89353D-10-7	Transcanada Corp		03/30/2016	Harvest Investment Manager	887,000	32,598			L
92826C-83-9	Visa Inc Com CL A		03/23/2016	Northern Trust	1,937,000	143,020			L
Y9384M-10-1	VTI Energy Parnters LP MLP		01/22/2016	Harvest Investment Manager	50,000	814			L
958254-10-4	Westn Gas Partners LP MLP		01/28/2016	Harvest Investment Manager	81,000	2,623			L
962166-10-4	Weyerhaeuser Co		02/22/2016	Stock Merger	11,024,000	212,419			L
969457-10-0	Williams Co Inc		03/03/2016	Harvest Investment Manager	1,544,000	29,004			L
96949L-10-5	Williams Partners LP MLP NEW		03/30/2016	Harvest Investment Manager	681,000	14,278			L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						1,053,458	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						1,053,458	XXX	0	XXX
9799999 - Subtotals - Common Stocks						1,053,458	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						1,053,458	XXX	0	XXX
9999999 Totals						3,003,375	XXX	0	XXX

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

STATEMENT AS OF MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
30250R-AA-2	FDIC 20110-R1 TR CTF CI																				
36217A-HM-5	1-A 144A		03/25/2016	PRINCIPAL RECEIPT		42,170	42,170	42,170	42,170				.0		42,170			.0	.155	05/25/2050	1
36295P-6H-0	GNMA Pool #187536		02/16/2016	PRINCIPAL RECEIPT		156	156	155	156		(1)		(1)		156			.0	.2	02/15/2017	1
831641-ES-0	GNMA Pool #676872		03/15/2016	PRINCIPAL RECEIPT		4,751	4,751	4,793	4,778		(27)		(27)		4,751			.0	.36	03/15/2023	1
831641-EZ-4	SBA SBIC 2010-10A 1 CMO		03/10/2016	PRINCIPAL RECEIPT		82,096	82,096	89,485	87,215		(5,120)		(5,120)		82,096			.0	1,682	03/10/2020	1
912828-EW-6	SBA SBIC 2013-10B CL1		03/10/2016	PRINCIPAL RECEIPT		78,823	78,823	81,440	81,440		(2,616)		(2,616)		78,823			.0	1,432	09/10/2023	1
	U S Treasury Note		02/16/2016	MATURITY		600,000	600,000	568,641	599,493		507		507		600,000			.0	13,500	02/15/2016	1
0599999 - Bonds - U.S. Governments						807,996	807,996	787,506	815,252	0	(7,256)	0	(7,256)	0	807,996	0	0	0	16,807	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
419780-4B-4	Hawaii St Ser DI GO UT		03/01/2016	CALLED @ 100.0000000		500,000	500,000	543,800	501,058		(1,058)		(1,058)		500,000			.0	12,500	03/01/2017	1FE
644682-XQ-4	New Hampshire St Cap Impt UT GO		03/01/2016	MATURITY		500,000	500,000	508,845	500,207		(207)		(207)		500,000			.0	8,750	03/01/2016	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						1,000,000	1,000,000	1,052,645	1,001,265	0	(1,265)	0	(1,265)	0	1,000,000	0	0	0	21,250	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
25009X-FN-0	Des Moines IA Series A		03/01/2016	CALLED @ 100.0000000		30,000	30,000	30,000	30,000				.0		30,000			.0		06/01/2022	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						30,000	30,000	30,000	30,000	0	0	0	0	0	30,000	0	0	0	0	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128M1-LA-5	FHLMC (Gold) Pool #G12221		03/15/2016	PRINCIPAL RECEIPT		3,997	3,997	3,997	3,997				.0		3,997			.0	.36	06/01/2021	1
31335H-5P-4	FHLMC (Gold) Pool #C90854		03/15/2016	PRINCIPAL RECEIPT		3,392	3,392	3,403	3,400		(8)		(8)		3,392			.0	.32	09/01/2024	1
31294K-K5-3	FHLMC (Gold) Pool #E01216		03/15/2016	PRINCIPAL RECEIPT		2,992	2,992	3,015	2,992		.1		.1		2,992			.0	.27	10/01/2017	1
3128M1-BB-4	FHLMC (Gold) Pool #G11934		03/15/2016	PRINCIPAL RECEIPT		586	586	586	586		(2)		(2)		586			.0	.4	04/01/2016	1
3128M1-PA-1	FHLMC (Gold) Pool #G12317		03/15/2016	PRINCIPAL RECEIPT		3,071	3,071	3,071	3,071				.0		3,071			.0	.27	08/01/2021	1
312800-N9-4	FHLMC (Gold) Pool #J19416		03/15/2016	PRINCIPAL RECEIPT		17,176	17,176	17,648	17,600		(424)		(424)		17,176			.0	.85	06/01/2027	1
31374P-BD-1	FHLMC CMO 4033 EB		03/15/2016	PRINCIPAL RECEIPT		16,335	16,335	16,295	16,300		35		35		16,335			.0	.51	10/15/2036	1
31326F-Y9-3	FHLMC Pool #281636		03/15/2016	PRINCIPAL RECEIPT		27,213	27,213	26,601	26,622		591		591		27,213			.0	.79	08/01/2043	1
3128S2-QQ-7	FHLMC Pool #T61363		03/15/2016	PRINCIPAL RECEIPT		4,127	4,127	4,318	4,314		(187)		(187)		4,127			.0	.31	09/01/2042	1
31371L-JU-4	FNMA Gtd Mtg Pool #255075		03/25/2016	PRINCIPAL RECEIPT		5,190	5,190	5,189	5,185		.5		.5		5,190			.0	.47	02/01/2024	1
31402R-GM-5	FNMA Pool #735604		03/25/2016	PRINCIPAL RECEIPT		7,363	7,363	7,386	7,363		(1)		(1)		7,363			.0	.64	06/01/2020	1
3136A1-4P-7	FNMA CMO FNR 2011-117 CL-MA		03/25/2016	PRINCIPAL RECEIPT		18,267	18,267	18,313	18,312		(45)		(45)		18,267			.0	.62	08/25/2040	1
3136A2-VK-6	FNMA CMO TR-2011-126		03/25/2016	PRINCIPAL RECEIPT		10,116	10,116	10,116	10,112		.5		.5		10,116			.0	.43	06/25/2040	1
31381P-C9-7	FNMA DUS Pool #466396		03/25/2016	PRINCIPAL RECEIPT		1,843	1,843	1,846	1,844		(1)		(1)		1,843			.0	.11	11/01/2020	1
31371L-XW-4	FNMA Gtd Mtg Pool #25549		03/25/2016	PRINCIPAL RECEIPT		5,283	5,283	5,253	5,256		.27		.27		5,283			.0	.53	10/01/2024	1
31416X-HY-9	FNMA Gtd Mtg Pool #AB2046		03/25/2016	PRINCIPAL RECEIPT		12,036	12,036	11,833	11,859		177		177		12,036			.0	.62	01/01/2026	1
31418A-LY-2	FNMA Gtd Mtg Pool #MA1242		03/25/2016	PRINCIPAL RECEIPT		9,811	9,811	10,252	10,254		(443)		(443)		9,811			.0	.64	11/01/2042	1
31418A-V5-4	FNMA Gtd Mtg Pool #MA1535		03/25/2016	PRINCIPAL RECEIPT		21,836	21,836	21,822	21,849		(13)		(13)		21,836			.0	.72	08/01/2023	1
31418A-WS-3	FNMA Gtd Mtg Pool #MA1556		03/25/2016	PRINCIPAL RECEIPT		15,655	15,655	15,537	15,575		79		79		15,655			.0	.79	08/01/2028	1
31371K-2X-8	FNMA Pool #254690		03/25/2016	PRINCIPAL RECEIPT		2,706	2,706	2,687	2,690		.16		.16		2,706			.0	.24	04/01/2023	1
31385W-SB-6	FNMA Pool #555014		03/25/2016	PRINCIPAL RECEIPT		5,407	5,407	5,458	5,401		.6		.6		5,407			.0	.49	11/01/2017	1
3136A1-6Y-6	FNMA REMIC Ser 2011-M8 CL-AB		03/25/2016	PRINCIPAL RECEIPT		57,798	57,798	59,496	58,781		(983)		(983)		57,798			.0	.576	08/25/2021	1
3136AE-Z4-2	FNMA TR 2013-70 CL-VA		03/25/2016	PRINCIPAL RECEIPT		10,251	10,251	10,776	10,742		(492)		(492)		10,251			.0	.51	08/25/2026	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						262,450	262,450	264,896	264,107	0	(1,658)	0	(1,658)	0	262,450	0	0	0	1,628	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
17275R-AC-6	Cisco Systems Inc GLB Metropolitan Life Global Nt 144A		02/22/2016	MATURITY		500,000	500,000	511,015	500,241		(241)		(241)		500,000			.0	13,750	02/22/2016	1FE
59217G-AD-1	Roche Holdings Inc 144A		01/11/2016	MATURITY		500,000	500,000	499,250	499,992		.8		.8		500,000			.0	7,813	01/11/2016	1FE
771196-AS-1	Skyway Concession Co LLC 144A		03/24/2016	CALLED @ 112.7570000		90,206	80,000	82,275	85,410		(374)		(374)		85,036		5,170	.0	2,400	03/01/2019	1FE
83088G-AA-3			02/25/2016	VARIOUS		300,000	300,000	271,500	289,353		1,052		1,052		290,405		9,595	.0	9,595	06/30/2017	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,390,206	1,380,000	1,374,040	1,374,996	0	445	0	445	0	1,375,441	0	14,765	14,765	24,382	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						3,490,652	3,480,446	3,509,088	3,485,621	0	(9,734)	0	(9,734)	0	3,475,887	0	14,765	14,765	64,067	XXX	XXX
8399999 - Subtotals - Bonds						3,490,652	3,480,446	3,509,088	3,485,621	0	(9,734)	0	(9,734)	0	3,475,887	0	14,765	14,765	64,067	XXX	XXX
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Y8565J-10-1	Teekay Offshore Partners LP MLP	R	03/21/2016	Harvest Investment Manager	145,000	721	XXX	940	940				.0		940		(219)	(219)	.16	XXX	L
030975-10-6	Amerigas Partners LP MLP		03/15/2016	Harvest Investment Manager	33,000	1,365	XXX	1,401					.0		1,401		(36)	(36)		XXX	L

STATEMENT AS OF MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
03673L-10-3...	Antero Midstream Partners LP MLP		03/15/2016	Harvest Investment Manager	56,000	1,389	XXX	1,278	1,278				.0		1,278		111	.111	.12	XXX	L
03957W-10-6...	Archrock Inc.		01/08/2016	Harvest Investment Manager	1,206,000	7,434	XXX	9,069	9,069				.0		9,069		(1,635)	(1,635)		XXX	L
03957U-10-0...	Archrock Partners LP Boardwalk Pipeline		03/15/2016	Harvest Investment Manager	84,000	724	XXX	1,034	1,034				.0		1,034		(310)	(310)	.48	XXX	L
096627-10-4...	Partners LP		03/15/2016	Harvest Investment Manager	132,000	1,821	XXX	1,812					.0		1,812		.9	.9		XXX	L
118230-10-1...	Buckey Partners LP MLP		03/15/2016	Harvest Investment Manager	144,000	9,359	XXX	9,586	2,045				.0		9,586		(227)	(227)	.39	XXX	L
12508E-10-1...	CDK Global Inc.		03/23/2016	Northern Trust	6,480,000	295,450	XXX	71,516	307,606	(236,090)			(236,090)		71,516		223,935	223,935	.875	XXX	L
16411R-20-8...	Cheniere Energy Inc Com		03/15/2016	Harvest Investment Manager	28,000	1,005	XXX	1,037					.0		1,037		(32)	(32)		XXX	L
16411W-10-8...	Cheniere Energy Partners Higs LLC		03/15/2016	Harvest Investment Manager	5,000	.85	XXX	.88					.0		.88		(3)	(3)		XXX	L
16411Q-10-1...	Cheniere Energy Partners LP		03/15/2016	Harvest Investment Manager	42,000	1,209	XXX	1,146					.0		1,146		.63	.63		XXX	L
198280-10-9...	Columbia Pipeline Group Inc.		03/21/2016	Harvest Investment Manager	156,000	3,870	XXX	2,947					.0		2,947		.923	.923		XXX	L
198281-10-7...	Columbia Pipeline Partners MLP LP		03/18/2016	Harvest Investment Manager	248,000	3,357	XXX	4,424	2,185				.0		4,424		(1,066)	(1,066)	.23	XXX	L
226344-20-8...	Crestwood Equity		01/07/2016	Harvest Investment Manager	343,900	6,337	XXX	7,067	7,146	(80)			(80)		7,067		(730)	(730)		XXX	L
23311P-10-0...	DCP Midstream Partners LP		03/15/2016	Harvest Investment Manager	19,000	.461	XXX	.469					.0		.469		(8)	(8)	.15	XXX	L
257454-10-8...	Dominion Midstream Partners MLP		03/15/2016	Harvest Investment Manager	13,000	.421	XXX	.399	.399				.0		.399		.23	.23	.3	XXX	L
29250R-10-6...	Enbridge Energy Partners LP MLP		03/15/2016	Harvest Investment Manager	162,000	2,778	XXX	3,737	3,737				.0		3,737		(959)	(959)	.94	XXX	L
29273V-10-0...	Energy Transfer Equity LP MLP		03/15/2016	Harvest Investment Manager	314,000	2,129	XXX	4,314	4,314				.0		4,314		(2,185)	(2,185)	.89	XXX	L
29273R-10-9...	Energy Transfer Partners LP MLP		03/15/2016	Harvest Investment Manager	416,000	11,442	XXX	14,032	14,032				.0		14,032		(2,590)	(2,590)	.439	XXX	L
29336U-10-7...	EnLink Midstream Partners LP MLP		03/15/2016	Harvest Investment Manager	127,000	1,276	XXX	2,106	2,106				.0		2,106		(829)	(829)	.50	XXX	L
293792-10-7...	Enterprise Prods Partners LP MLP		03/15/2016	Harvest Investment Manager	157,000	3,682	XXX	4,016	4,016				.0		4,016		(335)	(335)	.61	XXX	L
26885B-10-0...	EQT Midstream Partners LP		03/15/2016	Harvest Investment Manager	55,000	3,976	XXX	4,150	4,150				.0		4,150		(174)	(174)	.39	XXX	L
371927-10-4...	Genesis Energy LP MLP		03/21/2016	Harvest Investment Manager	2,379,000	60,296	XXX	86,232	85,678	(716)			(716)		86,232		(25,935)	(25,935)	1,527	XXX	L
435763-10-7...	Holly Energy Partners LP		03/15/2016	Harvest Investment Manager	28,000	.871	XXX	.872					.0		.872			.0	.16	XXX	L
49456B-10-1...	Kinder Morgan Inc Del Comm		03/15/2016	Harvest Investment Manager	81,000	1,451	XXX	1,400					.0		1,400		.50	.50		XXX	L
55608B-10-5...	Macquarie Infrastructure Co LLC		03/15/2016	Harvest Investment Manager	50,000	3,136	XXX	3,630	3,630				.0		3,630		(494)	(494)	.58	XXX	L
559080-10-6...	Magellan Midstream Partners LP MLP		03/15/2016	Harvest Investment Manager	8,000	.538	XXX	.543	.543				.0		.543		(5)	(5)	.6	XXX	L
55336V-10-0...	MPLX LP Com MLP		03/15/2016	Harvest Investment Manager	313,000	8,635	XXX	12,310	12,310				.0		12,310		(3,675)	(3,675)	.157	XXX	L
62913W-10-7...	NGL Energy Partners LP		03/18/2016	Harvest Investment Manager	238,000	1,865	XXX	2,888					.0		2,888		(1,023)	(1,023)	.152	XXX	L
665826-10-3...	Northern Tier Energy LP MLP		03/15/2016	Harvest Investment Manager	14,000	.325	XXX	.355	.362	(7)			(7)		.355		(30)	(30)	.5	XXX	L
67058H-10-2...	Nustar Energy LP MLP		03/15/2016	Harvest Investment Manager	74,000	2,732	XXX	2,967	2,967				.0		2,967		(236)	(236)	.81	XXX	L
682680-10-3...	Oneok Inc Com Stk		03/15/2016	Harvest Investment Manager	10,000	.271	XXX	.219					.0		.219		.51	.51		XXX	L
68268M-10-3...	Oneok Partners LP MLP		03/15/2016	Harvest Investment Manager	84,000	2,649	XXX	2,531	2,531				.0		2,531		.118	.118	.66	XXX	L
69318Q-10-4...	PBF Logistics LP MLP		03/15/2016	Harvest Investment Manager	28,000	.523	XXX	.598					.0		.598		(75)	(75)	.11	XXX	L
709311-10-4...	PennTex Midstream Partners MLP		02/12/2016	Harvest Investment Manager	565,000	5,506	XXX	7,272	7,305	(33)			(33)		7,272		(1,767)	(1,767)	.155	XXX	L
718546-10-4...	Phillips 66 Com Stk		02/03/2016	Harvest Investment Manager	1,157,000	90,912	XXX	89,265	94,643	(5,378)			(5,378)		89,265		1,647	1,647		XXX	L
718549-20-7...	Phillips 66 Partners LP MLP		02/16/2016	Harvest Investment Manager	387,000	22,577	XXX	23,282	23,762	(479)			(479)		23,282		(705)	(705)	.177	XXX	L
726503-10-5...	Plains All American Pipeline LP		03/21/2016	Harvest Investment Manager	546,000	12,737	XXX	12,614	12,613	.2			.2		12,614		122	122	.382	XXX	L
729251-10-8...	Plum Creek Timber Co Inc		02/22/2016	Stock Merger	6,890,000	212,419	XXX	212,419	328,791	(116,372)			(116,372)		212,419		.0	.0		XXX	L
81663A-10-5...	Semgroup Corp CL A		01/26/2016	Harvest Investment Manager	2,003,000	40,663	XXX	56,298	57,807	(1,509)			(1,509)		56,298		(15,635)	(15,635)		XXX	L
822634-10-1...	Shell Midstream PA MLP		03/15/2016	Harvest Investment Manager	107,000	3,475	XXX	4,192	4,443	(251)			(251)		4,192		(717)	(717)	.24	XXX	L
849343-10-8...	Sprague Resources LP MLP		03/15/2016	Harvest Investment Manager	9,000	.165	XXX	.182					.0		.182		(17)	(17)	.5	XXX	L
864482-10-4...	Suburban Propane Partners LP		03/15/2016	Harvest Investment Manager	10,000	.291	XXX	.289					.0		.289		.2	.2		XXX	L
866142-10-2...	Summit Midstream Partners LP		03/15/2016	Harvest Investment Manager	555,000	7,155	XXX	10,395	10,395				.0		10,395		(3,240)	(3,240)	.319	XXX	L
86764L-10-8...	Sunoco Logistics Partners LP MLP		03/15/2016	Harvest Investment Manager	43,000	1,034	XXX	1,105	1,105				.0		1,105		(71)	(71)	.20	XXX	L
874697-10-5...	Tallgrass Energy partners LP MLP		03/15/2016	Harvest Investment Manager	33,000	1,224	XXX	1,360	1,360				.0		1,360		(136)	(136)	.21	XXX	L



## SCHEDULE D - PART 4

[illegible]

## E05.2

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE



SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

NAIC Group Code 0207 Year To Date For The Period Ended 2016 NAIC Company Code 26123

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 0	\$ 0	\$ 0

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy?

Yes ☒ No ☐
- 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated?

Yes ☒ No ☐
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified:

\$ .....4,333

2.32 Amount estimated using reasonable assumptions:

\$ .....0
- 2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies.

\$ .....0