



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 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 ofOhio.....

County ofWayne.....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 15th day of November, 2016		b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached

Lauresa Durhan, Notary Public
July 30, 2021

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY				
ASSETS				
	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	127,693,399	0	127,693,399	127,133,505
2. Stocks:				
2.1 Preferred stocks	6	0	6	0
2.2 Common stocks	73,574,061	337,948	73,236,113	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)	4,897,231	0	4,897,231	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 (\$29,570,959), cash equivalents (\$0) and short-term investments (\$5,231,817)	34,802,776	0	34,802,776	28,118,159
6. Contract loans (including \$ premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	16,513,424	0	16,513,424	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)	257,480,898	337,948	257,142,950	242,323,232
13. Title plants less \$ charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,460,240	0	1,460,240	1,285,673
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,921,141	38,924	15,882,218	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	97,376	0	97,376	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	1,238,510	0	1,238,510	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 (\$)	665,955	665,955	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)	277,026,912	1,205,619	275,821,293	260,077,373
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	277,026,912	1,205,619	275,821,293	260,077,373
DETAILS OF WRITE-INS				
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 \$18,649,210)	38,728,719	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	3,510,667	3,787,801
5. Other expenses (excluding taxes, licenses and fees)	3,625,702	5,192,451
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,121,393	1,299,764
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	3,777,322	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)	53,898,724	50,660,086
10. Advance premium	1,127,113	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)	(416,214)	389,548
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	1,291,020	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)	114,067,409	108,545,013
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	114,067,409	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)	161,753,884	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)	161,753,884	151,532,360
38. Totals (Page 2, Line 28, Col. 3)	275,821,293	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 \$ 71,159,187)	69,347,853	68,084,462	90,935,090
1.2 Assumed (written \$ 88,314,311)	84,180,852	80,813,924	107,959,745
1.3 Ceded (written \$ 73,879,882)	71,173,726	69,029,442	92,246,031
1.4 Net (written \$ 85,593,616)	82,354,979	79,868,944	106,648,804
DEDUCTIONS:			
2. Losses incurred (current accident year \$)::			
2.1 Direct	30,207,601	29,922,465	41,027,299
2.2 Assumed	49,888,617	45,219,395	60,065,025
2.3 Ceded	36,237,955	33,795,370	45,724,361
2.4 Net	43,858,263	41,346,490	55,367,963
3. Loss adjustment expenses incurred	7,906,891	7,764,941	11,221,490
4. Other underwriting expenses incurred	27,272,049	26,010,865	34,786,240
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	79,037,203	75,122,296	101,375,693
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	3,317,775	4,746,648	5,273,111
INVESTMENT INCOME			
9. Net investment income earned	3,597,377	3,515,552	4,975,372
10. Net realized capital gains (losses) less capital gains tax of \$ 546,816	1,061,466	2,286,502	(1,027,575)
11. Net investment gain (loss) (Lines 9 + 10)	4,658,844	5,802,054	3,947,797
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 68,749)	(68,749)	(92,283)	(121,295)
13. Finance and service charges not included in premiums	1,198,287	1,214,995	1,620,489
14. Aggregate write-ins for miscellaneous income	13,917	4,151	4,437
15. Total other income (Lines 12 through 14)	1,143,455	1,126,863	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)	9,120,074	11,675,565	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)	9,120,074	11,675,565	10,724,539
19. Federal and foreign income taxes incurred	984,080	1,939,403	3,937,681
20. Net income (Line 18 minus Line 19)(to Line 22)	8,135,994	9,736,162	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)	8,135,994	9,736,162	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 \$ 1,545,326	2,999,751	(8,506,290)	(3,573,273)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(794,224)	(421,673)	1,028,036
27. Change in nonadmitted assets	(119,999)	(102,055)	(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	4,369	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	10,221,522	710,512	4,214,504
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	161,753,884	148,028,371	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	2,683	1,686	1,972
1402. Gain on Sale of Equipment	11,234	2,465	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)	13,917	4,151	4,437
3701. Change in Surplus Due to Prior Period Adjustment (see Footnote 2)	0	4,369	0
3702.	0	0	0
3703.	0	0	0
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	4,369	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	85,015,869	82,547,737	107,769,755
2. Net investment income	3,984,277	4,095,819	5,807,786
3. Miscellaneous income	1,143,455	1,126,863	1,503,631
4. Total (Lines 1 to 3)	90,143,600	87,770,419	115,081,172
5. Benefit and loss related payments	40,382,111	38,947,958	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	37,166,678	34,769,613	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).....	2,200,000	3,420,000	4,290,000
10. Total (Lines 5 through 9)	79,748,789	77,137,571	101,736,722
11. Net cash from operations (Line 4 minus Line 10)	10,394,811	10,632,848	13,344,450
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	12,038,993	11,070,979	16,563,097
12.2 Stocks	8,363,589	18,620,684	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	190,864	0	5,305,360
12.8 Total investment proceeds (Lines 12.1 to 12.7)	20,593,446	29,691,663	42,356,124
13. Cost of investments acquired (long-term only):			
13.1 Bonds	13,019,605	13,447,773	21,323,839
13.2 Stocks	3,163,903	24,116,189	26,644,667
13.3 Mortgage loans	0	0	0
13.4 Real estate	33,952	21,723	20,839
13.5 Other invested assets	6,985,000	3,425,000	3,810,000
13.6 Miscellaneous applications	2	117,237	5,305,359
13.7 Total investments acquired (Lines 13.1 to 13.6)	23,202,462	41,127,922	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)	(2,609,015)	(11,436,259)	(14,748,580)
Cash from Financing and Miscellaneous Sources			
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).....	(1,101,178)	(1,107,181)	(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).....	(1,101,178)	(1,107,181)	(1,051,864)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	6,684,617	(1,910,592)	(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)	34,802,776	28,663,560	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 or 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	\$ 8,135,994	\$ 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>\$ 8,135,994</u>	<u>\$ 6,786,858</u>
<u>SURPLUS</u>			
(2) LRMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 161,753,884	\$ 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>\$ 161,753,884</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 September 30, 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 September 30, 2016 and December 31, 2015 are as follows:

1.

	09/30/2016		
	(1)	(2)	(3)
			(Col 1+2)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 6,556,685	\$ 1,475,354	\$ 8,032,039
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	6,556,685	\$ 1,475,354	\$ 8,032,039
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	6,556,685	\$ 1,475,354	\$ 8,032,039
(f) Deferred Tax Liabilities	(685,577)	(11,123,785)	(11,809,363)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)			
(h) (1e – 1f)	\$ 5,871,108	\$ (9,648,431)	\$ (3,777,323)

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	2,193,821	8,682,703
(c) Deferred Tax Assets Nonadmitted	—	—	—
(d) Subtotal Net Deferred Tax Asset (1c – 1d)	6,488,882	2,193,821	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	\$ 67,803	\$ (718,467)	\$ (650,663)
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	67,803	\$ (718,467)	\$ (650,663)
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	67,803	\$ (718,467)	\$ (650,663)
(f) Deferred Tax Liabilities	(143,498)	(1,545,389)	(1,688,887)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ (75,695)</u>	<u>\$ (2,263,857)</u>	<u>\$ (2,339,550)</u>

2. Admission Calculation Components SSAP No. 101

	09/30/2016		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 4,723,767	\$ 0	\$ 4,723,767
(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)	732,686	—	732,686
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	732,686	—	732,686
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	24,263,082
(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>1,100,232</u>	<u>1,475,354</u>	<u>2,575,586</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 6,556,685</u>	<u>\$ 1,475,354</u>	<u>\$ 8,032,039</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.				1,381,892	2,193,821	3,575,713
(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.				\$ 301,692	\$ —	\$ 301,692
(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)				47,771	—	47,771
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.				47,771	—	47,771
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.				XXX	XXX	1,533,228
(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.				(281,660)	(718,467)	(1,000,127)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))				<u>\$ 67,803</u>	<u>\$ (718,467)</u>	<u>\$ (650,663)</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.				\$ 161,753,884	\$ 151,532,360	

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax—Planning Strategies

		09/30/2016	
		(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)	\$ 6,556,685	\$ 1,475,354
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)	\$ 6,556,685	\$ 1,475,354
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)	\$ 67,803	\$ (718,467)
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)	\$ 67,803	\$ (718,467)
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
(b)	Does the Company's tax—planning strategies include the use of reinsurance?	Yes _____	No <u> X </u>
B.	The Company has no temporary differences for which deferred tax liabilities are not recognized.		

NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)
	09/30/2016	12/31/2015	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 984,080	\$ 3,937,681	\$ (2,953,601)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 984,080	\$ 3,937,681	\$ (2,953,601)
(d) Federal income tax on net capital gains	\$ 546,816	\$ (529,357)	\$ 1,076,173
(e) Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 1,530,896</u>	<u>\$ 3,408,324</u>	<u>\$ (1,877,428)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 498,349	\$ 498,349	\$ 76
(2) Unearned premium reserve	\$ 3,665,113	\$ 3,444,885	\$ 220,228
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed assets	\$ 281,774	\$ 252,377	\$ 29,397
(8) Compensation and benefits accrual	\$ 333,491	\$ 436,086	\$ (102,595)
(9) Pension accrual	\$ 73,124	\$ 264,328	\$ (191,204)
(10) Receivables – nonadmitted	\$ 13,234	\$ 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	\$ 482,119	\$ 428,559	\$ 53,560
(16) Other	\$ 118,862	\$ 61,284	\$ 57,578
(99) Subtotal	<u>\$ 6,556,685</u>	<u>\$ 6,488,882</u>	<u>\$ 67,803</u>
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 6,556,685</u>	<u>\$ 6,488,882</u>	<u>\$ 67,803</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	\$ 1,455,726	\$ 2,184,471	\$ (728,745)
(6) Other	\$ 19,628	\$ 9,350	\$ 10,278
(99) Subtotal	<u>\$ 1,475,354</u>	<u>\$ 2,193,821</u>	<u>\$ (134,808)</u>
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 1,475,354</u>	<u>\$ 2,193,821</u>	<u>\$ (718,467)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 8,032,039</u>	<u>\$ 8,682,706</u>	<u>\$ (650,663)</u>
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (333,171)	\$ (280,015)	\$ (53,156)
(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	\$ (318,578)	\$ (248,097)	\$ (70,481)
(7) Tax over book depreciation	\$ (33,828)	\$ (13,967)	\$ (19,861)
(99) Subtotal	<u>\$ (685,577)</u>	<u>\$ (542,079)</u>	<u>\$ (143,498)</u>
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	<u>\$ (11,123,785)</u>	<u>\$ (9,578,396)</u>	<u>\$ (1,545,389)</u>
(99) Subtotal	<u>\$ (11,123,785)</u>	<u>\$ (9,578,396)</u>	<u>\$ (1,545,389)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (11,809,362)</u>	<u>\$ (10,120,475)</u>	<u>\$ (1,688,888)</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ (3,777,323)</u>	<u>\$ (1,437,773)</u>	<u>\$ (2,339,550)</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>09/30/2016</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 3,286,741	34.0%
Tax exempt interest	(285,694)	(3.0%)
Dividends received deduction	(226,078)	(2.3%)
Change in deferred tax on nonadmitted assets	30,160	.3%
Other	(2,083,911)	(21.4%)
Total	<u>\$ 735,734</u>	<u>7.6%</u>
Federal and foreign income taxes incurred	\$ 983,080	10.2%
Tax on capital gains (losses)	546,816	5.7%
Change in net deferred income taxes	(794,162)	(8.2%)
Total statutory income taxes	<u>\$ 735,734</u>	<u>7.6%</u>

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

- (1) As of September 30, 2016, the Company had no net operating loss or net capital loss carry—forwards available for tax purposes.
- As of September 30, 2016, the Company had no alternative minimum tax (AMT) credit carry—forwards.
- (2) As September 30, 2016, the Company had federal income taxes incurred available for recoupment in the event of future net losses of \$6,915,401.
- (3) The Company has no deposits reported as admitted assets under IRC §6603 as of September 30, 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 September 30, 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 September 30, 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 September 30, 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 \$74,328,752. 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

(1)	(2)	(3)
Total 2 + 3	General Account	Separate Accounts
\$ —	\$ —	\$ —
\$ 312,092	\$ 312,092	\$ —
\$ —	\$ —	\$ —
\$ 51,908	\$ 51,908	\$ —
<u>\$ 364,000</u>	<u>\$ 364,000</u>	<u>\$ —</u>
\$ 74,328,752	\$ XXX	\$ XXX

2. Prior Year

- a. Membership Stock – Class A
- b. Membership Stock – Class B
- c. Activity Stock
- d. Excess Stock
- e. Aggregate Total

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

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 September 30, 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 \$32.7 million and \$23.0 million at September 30, 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 September 30, 2016:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Preferred Stock:				
Industrial and Misc	\$ 6	\$ —	\$ —	\$ 6
Total Preferred Stocks	6	—	—	6
Common Stock:				
Mutual Funds	25,325,031	—		25,325,031
Industrial and Misc	47,314,858	364,000	232,224	47,911,082
Total Common Stocks	72,639,889	364,000	232,224	73,236,113
Other Invested Assets	6,613,833	9,899,591	—	16,513,424
Total assets at fair value	\$ 79,253,728	\$ 10,263,591	\$ 232,224	\$ 89,749,543
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:				
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	\$ 72,291,427	\$ 9,493,764	\$ 232,224	\$ 82,017,415
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 06/30/2016
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 232,224	\$ —	\$ —	\$ —	\$ —	\$ 232,224
Total Assets	\$ 232,224	\$ —	\$ —	\$ —	\$ —	\$ 232,224
b. Liabilities:						
Not applicable.						

- (3) The Company’s policy is to recognize transfers in and out as of the end of the reporting period.
- (4) As of September 30, 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	\$ 133,638,459	\$ 127,693,399	\$ 6,436,346	\$ 127,202,113	\$ —	\$ —
Preferred Stock	6	6	6	—	—	—
Common Stock	73,236,113	73,236,113	72,639,889	364,000	232,224	—
Other Invested Assets	16,513,424	16,513,424	6,613,833	9,899,591	—	—
Short-Term Investments	5,231,817	5,231,817	—	5,231,817	—	—

NOTES TO FINANCIAL STATEMENTS

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

21. Other Items

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

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through November 15, 2016 for the statutory statement issued on November 15, 2016 for the quarter ending September 30, 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 November 15, 2016 for the statutory statement issued on November 15, 2016 for the quarter ending September 30, 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.

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2015 were \$42.6 million. During 2016, \$16.2 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 \$23.5 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$2.8 million favorable prior year development from December 31, 2015 to September 30, 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.
- 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	8
3) Calendar year payments for losses and loss adjustment expenses:	<u>12</u>	<u>50</u>	<u>80</u>	<u>0</u>	<u>8</u>
4) Ending reserves:	<u>\$ 41</u>	<u>\$ 86</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 45</u>

NOTES TO FINANCIAL STATEMENTS

(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>
4) Ending reserves:	\$	<u>—</u>	\$	<u>—</u>	\$ <u>—</u>
		<u>2012</u>		<u>2013</u>	<u>2014</u>
				<u>2015</u>	<u>2016</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>
4) Ending reserves:	\$	<u>41</u>	\$	<u>86</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	2	3
Name of Entity	NAIC Company Code	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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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:\$
13.

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

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

Yes [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	\$337,948
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	\$337,948
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, Illinois.....

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
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. 2nd Floor, Wayne, PA 190897.....

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?
- Yes ☒ No ☐

- 18.2 If no, list exceptions:
-

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..... \$

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

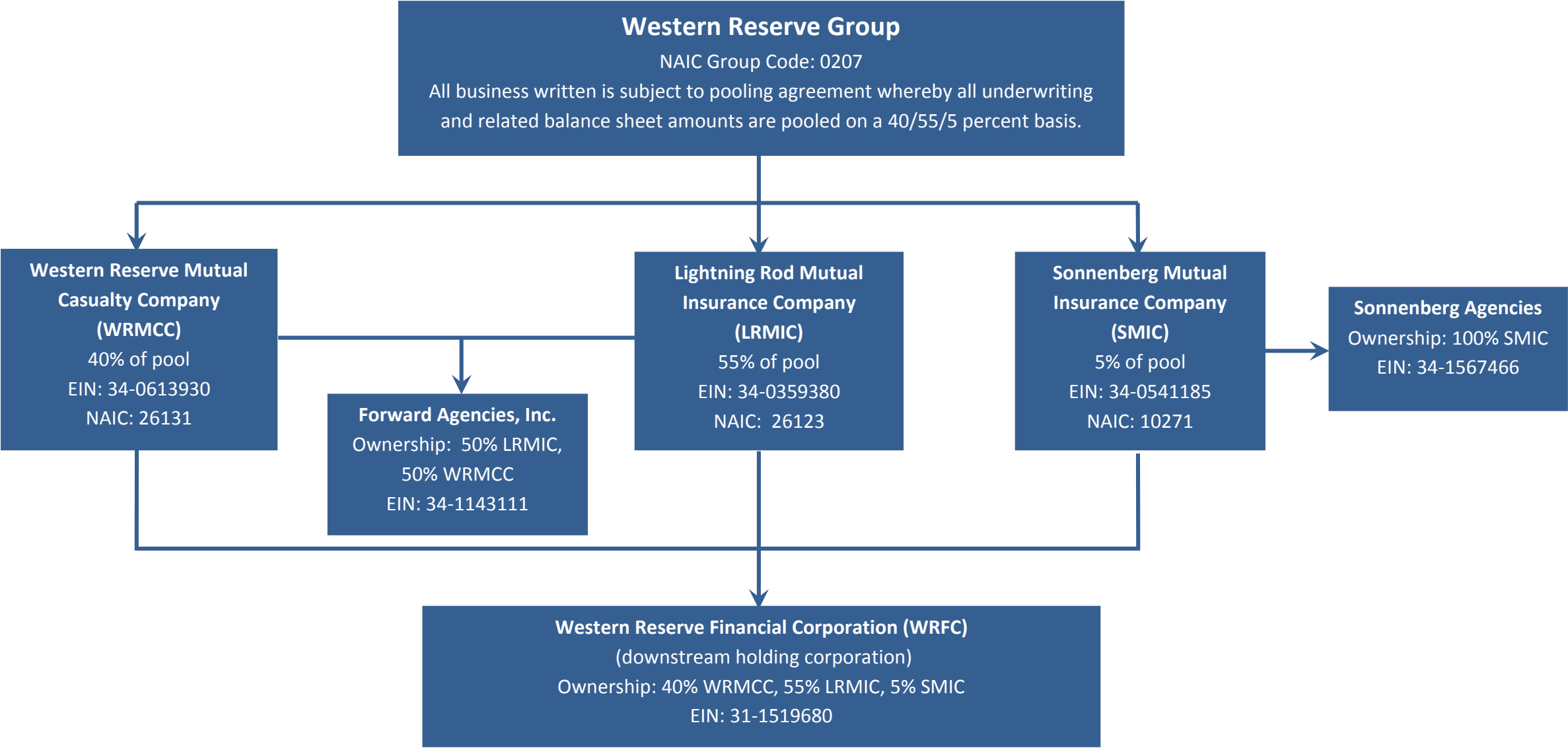
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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	19,606,716	20,077,271	9,701,599	8,363,735	5,274,886	5,310,666
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	51,552,471	50,383,093	18,236,361	20,523,015	24,929,323	21,347,219
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	71,159,187	70,460,364	27,937,960	28,886,750	30,204,209	26,657,885
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



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	6,132	0	0.0	0.0
2.	Allied lines	6,534	1,785	27.3	99.5
3.	Farmowners multiple peril	16,005,307	4,506,624	28.2	28.9
4.	Homeowners multiple peril	25,776,210	11,727,286	45.5	43.6
5.	Commercial multiple peril	8,543,024	4,301,093	50.3	44.4
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine	862,892	185,713	21.5	14.6
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	18,639		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	437,417	801	0.2	0.0
17.2	Other liability-claims made	50,362	60,000	119.1	140.0
17.3	Excess Workers' Compensation			0.0	0.0
18.1	Products liability-occurrence	31,964	(2,499)	(7.8)	85.8
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	6,498,507	3,612,735	55.6	72.5
19.3,19.4	Commercial auto liability	3,592,374	1,703,365	47.4	33.8
21.	Auto physical damage	6,991,051	3,924,570	56.1	61.6
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft	36,061	0	0.0	0.0
27.	Boiler and machinery	491,379	186,128	37.9	7.6
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			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	69,347,853	30,207,601	43.6	43.9
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	589	6,668	23,387
2.	Allied lines	902	6,130	25,668
3.	Farmowners multiple peril	5,283,668	16,079,147	15,963,489
4.	Homeowners multiple peril	9,416,388	26,669,040	25,980,768
5.	Commercial multiple peril	2,666,283	8,757,551	8,458,891
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	236,851	889,645	844,828
10.	Financial guaranty	0		0
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	5,031	20,872	17,904
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	0		0
17.1	Other liability occurrence	122,540	448,572	436,159
17.2	Other liability-claims made	11,547	53,268	44,441
17.3	Excess Workers' Compensation	0		0
18.1	Products liability-occurrence	11,597	27,106	27,058
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	2,312,672	6,690,582	7,106,753
19.3,19.4	Commercial auto liability	981,025	3,680,250	3,576,185
21.	Auto physical damage	2,450,833	7,254,679	7,461,774
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	10,575	36,763	38,304
27.	Boiler and machinery	184,034	538,914	454,755
28.	Credit	0		0
29.	International	0		0
30.	Warranty	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	23,694,535	71,159,187	70,460,364
DETAILS OF WRITE-INS				
3401.		0	0	0
3402.		0	0	0
3403.		0	0	0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

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	3,455	23	3,478	3,786	296	217	4,299	(939)	(335)	(1,274)
2. 2014	10,122	712	10,834	2,892	74	2,966	6,207	128	313	6,648	(1,023)	(197)	(1,220)
3. Subtotals 2014 + prior	18,302	1,583	19,885	6,347	97	6,444	9,993	424	530	10,947	(1,962)	(532)	(2,494)
4. 2015	17,676	5,012	22,688	8,767	1,001	9,768	10,670	948	990	12,608	1,761	(2,073)	(312)
5. Subtotals 2015 + prior	35,978	6,595	42,573	15,114	1,098	16,212	20,663	1,372	1,520	23,555	(201)	(2,605)	(2,806)
6. 2016	XXX	XXX	XXX	XXX	31,994	31,994	XXX	17,726	4,851	22,577	XXX	XXX	XXX
7. Totals	35,978	6,595	42,573	15,114	33,092	48,206	20,663	19,098	6,371	46,132	(201)	(2,605)	(2,806)
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. (0.6)	2. (39.5)	3. (6.6)
											Col. 13, Line 7 Line 8		
											4. (1.9)		

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.



261232016490000003

2.



261232016455000003

3.



261232016365000003

OVERFLOW PAGE FOR WRITE-INS

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	33,952	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	190,874	252,826
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	4,897,231	5,054,153
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	4,897,231	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	6,985,000	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)	398,660	(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)	16,513,424	9,129,764
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	16,513,424	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	16,186,305	47,968,506
3. Accrual of discount	37,678	66,718
4. Unrealized valuation increase (decrease)	4,146,417	(4,975,083)
5. Total gain (loss) on disposals	1,608,283	3,748,428
6. Deduct consideration for bonds and stocks disposed of	20,402,582	37,050,764
7. Deduct amortization of premium	636,454	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)	201,267,459	200,327,812
11. Deduct total nonadmitted amounts	337,948	306,654
12. Statement value at end of current period (Line 10 minus Line 11)	200,929,511	200,021,158

STATEMENT AS OF SEPTEMBER 30, 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
BONDS								
1. NAIC 1 (a).....	120,822,289	26,334,696	22,287,448	(1,942,145)	122,023,486	120,822,289	122,927,392	123,428,601
2. NAIC 2 (a).....	7,382,809	617,220	600,000	1,587,530	7,098,640	7,382,809	8,987,559	5,621,309
3. NAIC 3 (a).....	1,013,756			(3,420)	0	1,013,756	1,010,336	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	129,218,854	26,951,916	22,887,448	(358,035)	129,122,126	129,218,854	132,925,287	129,049,910
PREFERRED STOCK								
8. NAIC 1	51,488	5,542	54,093	(2,931)	0	51,488	6	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.....	51,488	5,542	54,093	(2,931)	0	51,488	6	0
15. Total Bonds & Preferred Stock	129,270,342	26,957,458	22,941,540	(360,966)	129,122,126	129,270,342	132,925,293	129,049,910

(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	5,231,817	XXX	5,231,817	2,448	

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.....	1,916,394	8,651,194
2. Cost of short-term investments acquired	32,747,064	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	29,431,642	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).....	5,231,817	1,916,394
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	5,231,817	1,916,394

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

[illegible]

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

[illegible]

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STATEMENT AS OF SEPTEMBER 30, 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 ^(a)
Bonds - U.S. Governments									
912828-S5-0	U S Treasury Inflation Note		09/13/2016	Northern Trust		598,023	600,000	125	1
0599999 - Bonds - U.S. Governments						598,023	600,000	125	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
113664-HB-5	Brookings SD Sch Dist #5-1		09/09/2016	D A Davidson & Co		355,587	300,000		1FE
23426P-FZ-0	Dakota Valley SD Sch Dist #61-8		09/19/2016	D A Davidson & Co		353,121	300,000		1FE
250139-DY-5	Des Moines IA Stormwater Mgmt Rev		09/01/2016	Hutchinson, Shockey, Erle		803,487	735,000		1FE
803770-RN-8	Sarpy Cnty NE SD #37 Gretna Pbl Sc		07/21/2016	D A Davidson & Co		277,563	235,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						1,789,759	1,570,000	0	XXX
Bonds - U.S. Special Revenue									
10901R-BK-4	Brier Creek IN Sch Bldg Revenue		08/10/2016	Fifth Third Securities, Inc		594,693	505,000		1FE
592041-WJ-2	Met Govt Nshvle & Davidson Cnty T		07/07/2016	D A Davidson & Co		669,510	600,000	743	1FE
735389-XF-0	Port of Seattle WA		08/19/2016	First Empire Securities Inc		753,558	600,000	1,833	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						2,017,761	1,705,000	2,576	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
88579Y-AV-3	3M Company		09/14/2016	Blaylock Beal Van, LLC		494,600	500,000		1FE
06406H-CV-9	Bank of New York Mellon Corp		09/08/2016	Raymond James & Associates, Inc		540,120	500,000	5,572	1FE
067383-AE-9	CR Bard Inc		08/15/2016	First Empire Securities Inc		617,220	600,000	4,950	2FE
91159H-HM-5	US Bancorp		08/31/2016	D A Davidson & Co		622,608	600,000	6,717	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						2,274,548	2,200,000	17,239	XXX
8399997 - Subtotals - Bonds - Part 3						6,680,091	6,075,000	19,940	XXX
8399999 - Subtotals - Bonds						6,680,091	6,075,000	19,940	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
49456B-20-0	Kinder Morgan Inc Depository Shs		07/07/2016	Harvest Investment Manager	116.000	5,542	50.00		
8499999 - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)						5,542	XXX	0	XXX
8999997 - Subtotals - Preferred Stocks - Part 3						5,542	XXX	0	XXX
8999999 - Subtotals - Preferred Stocks						5,542	XXX	0	XXX
Common Stocks - Industrial and Miscellaneous									
03673L-10-3	Antero Midstream Partners LP MLP		07/26/2016	Harvest Investment Manager	3.000	79			L
03674X-10-6	Antero Res Corp Com		07/26/2016	Harvest Investment Manager	55.000	1,438			L
03957W-10-6	Archrock Inc		07/26/2016	Harvest Investment Manager	5.000	47			L
03957U-10-0	Archrock Partners LP		07/26/2016	Harvest Investment Manager	7.000	94			L
096627-10-4	Boardwalk Pipeline Partners LP		07/26/2016	Harvest Investment Manager	66.000	1,118			L
118230-10-1	Buckey Partners LP MLP		07/26/2016	Harvest Investment Manager	27.000	1,957			L
16411R-20-8	Cheniere Energy Inc Com		07/26/2016	Harvest Investment Manager	1.000	41			L
16411W-10-8	Cheniere Energy Partners Hlgs LLC		07/26/2016	Harvest Investment Manager	1.000	20			L
16411U-10-1	Cheniere Energy Partners LP		07/26/2016	Harvest Investment Manager	8.000	221			L
198281-10-7	Columbia Pipeline Partners MLP LP		07/26/2016	Harvest Investment Manager	8.000	124			L
22758A-10-5	CrossAmerica Partners LP Unit Ltd		07/26/2016	Harvest Investment Manager	11.000	261			L
23311P-10-0	DCP Midstream Partners LP		07/26/2016	Harvest Investment Manager	6.000	199			L
29250R-10-6	Enbridge Energy Partners LP MLP		07/26/2016	Harvest Investment Manager	20.000	477			L
29273R-10-9	Energy Transfer Partners LP MLP		07/26/2016	Harvest Investment Manager	63.000	2,517			L
29336U-10-7	Enlink Midstream Partners LP MLP		07/26/2016	Harvest Investment Manager	4.000	70			L
293792-10-7	Enterprise Prods Partners LP MLP		07/26/2016	Harvest Investment Manager	129.000	3,740			L
26885B-10-0	EQT Midstream Partners LP		07/26/2016	Harvest Investment Manager	23.000	1,760			L
435763-10-7	Holly Energy Partners LP		07/26/2016	Harvest Investment Manager	8.000	284			L
446150-10-4	Huntington Bancshares Inc		08/16/2016	Stock Merger	71,849.560	74,385			L
49456B-10-1	Kinder Morgan Inc Del Comm		07/26/2016	Harvest Investment Manager	6.000	124			L
55608B-10-5	Macquarie Infrastructure Co LLC		07/26/2016	Harvest Investment Manager	12.000	921			L
55336V-10-0	MPLX LP Com MLP		07/26/2016	Harvest Investment Manager	19.000	642			L
62913M-10-7	NGL Energy Partners LP		07/26/2016	Harvest Investment Manager	23.000	436			L
67058H-10-2	Nustar Energy LP MLP		07/26/2016	Harvest Investment Manager	3.000	146			L
68268N-10-3	Oneok Partners LP MLP		07/26/2016	Harvest Investment Manager	3.000	121			L
718546-10-4	Phillips 66 Com Stk		07/26/2016	Harvest Investment Manager	5.000	381			L
72651A-10-8	Plains GP Hldgs LP CL A MLP		07/26/2016	Harvest Investment Manager	144.000	1,466			L
762819-10-0	Rice Midstream Partners LP MLP		07/26/2016	Harvest Investment Manager	22.000	433			L
81663A-10-5	Semgroup Corp CL A		07/26/2016	Harvest Investment Manager	3.000	92			L
822634-10-1	Shell Midstream PA MLP		07/26/2016	Harvest Investment Manager	20.000	653			L

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STATEMENT AS OF SEPTEMBER 30, 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	F o r e i g n	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 1-A 144A		09/26/2016	PRINCIPAL RECEIPT		38,682	38,682	38,682	38,682				.0		38,682			.0	.558	05/25/2050	1
36295P-6H-0	GNMA Pool #676872		09/15/2016	PRINCIPAL RECEIPT		20,057	20,057	20,232	20,170		(113)		(113)		20,057			.0	.659	03/15/2023	1
831641-ES-0	SBA SBIC 2010-10A 1 CMO		09/12/2016	PRINCIPAL RECEIPT		24,776	24,776	27,006	26,321		(1,545)		(1,545)		24,776			.0	1,021	03/10/2020	1
831641-EZ-4	SBA SBIC 2013-10B CL1		09/12/2016	PRINCIPAL RECEIPT		109,467	109,467	114,244	113,100		(3,633)		(3,633)		109,467			.0	4,000	09/10/2023	1
912828-FL-9	U S Treasury Inflation Note		07/15/2016	MATURITY		1,186,920	1,000,000	1,016,249	1,177,692	(161,345)	8		(161,337)		1,016,355		170,565	170,565	29,544	07/15/2016	1
0599999 - Bonds - U.S. Governments						1,379,902	1,192,982	1,216,414	1,375,965	(161,345)	(5,283)	0	(166,628)	0	1,209,337	0	170,565	170,565	35,781	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
880541-JR-9	Tennessee St Series A		09/01/2016	CALLED @ 100.0000000		500,000	500,000	495,005	498,491		364		364		498,855		1,145	1,145	17,500	09/01/2018	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						500,000	500,000	495,005	498,491	0	364	0	364	0	498,855	0	1,145	1,145	17,500	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
101421-B2-0	Boulder CO Open Space GO		08/15/2016	MATURITY		400,000	400,000	403,952	400,314		(314)		(314)		400,000			.0	16,000	08/15/2016	1FE
25009X-FN-0	Des Moines IA Series A		09/01/2016	Partial Call		10,000	10,000	10,000	10,000				.0		10,000			.0	.231	06/01/2022	1FE
432841-MJ-0	Hilton Head Island Town SC		09/15/2016	Called		515,000	515,000	527,509	520,815		(914)		(914)		519,901		(4,901)	(4,901)	24,611	03/01/2020	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						925,000	925,000	941,461	931,129	0	(1,228)	0	(1,228)	0	929,901	0	(4,901)	(4,901)	40,843	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		09/15/2016	PRINCIPAL RECEIPT		3,925	3,925	3,925	3,925				.0		3,925			.0	.145	06/01/2021	1
31335H-5P-4	FHLMC (Gold) Pool #C90854		09/15/2016	PRINCIPAL RECEIPT		3,725	3,725	3,738	3,734		(9)		(9)		3,725			.0	.131	09/01/2024	1
31294K-K5-3	FHLMC (Gold) Pool #E01216		09/15/2016	PRINCIPAL RECEIPT		2,748	2,748	2,769	2,748				.0		2,748			.0	.100	10/01/2017	1
3128M1-PA-1	FHLMC (Gold) Pool #G12317		09/15/2016	PRINCIPAL RECEIPT		2,989	2,989	2,989	2,989				.0		2,989			.0	.109	08/01/2021	1
312800-N9-4	FHLMC (Gold) Pool #J19416		09/15/2016	PRINCIPAL RECEIPT		22,761	22,761	23,387	23,323		(562)		(562)		22,761			.0	.442	06/01/2027	1
31374P-BD-1	FHLMC CMO 4033 EB		09/15/2016	PRINCIPAL RECEIPT		31,608	31,608	31,529	31,539		68		68		31,608			.0	.421	10/15/2036	1
31326F-Y9-3	FHLMC Pool #2B1636		09/15/2016	PRINCIPAL RECEIPT		8,125	8,125	7,943	7,949		176		176		8,125			.0	.114	08/01/2043	1
3128S2-QQ-7	FHLMC Pool #T61363		09/15/2016	PRINCIPAL RECEIPT		29,302	29,302	30,657	30,628		(1,326)		(1,326)		29,302			.0	.719	09/01/2042	1
31371L-JU-4	FNMA Gtd Mtg Pool #255075		09/25/2016	PRINCIPAL RECEIPT		5,163	5,163	5,161	5,157		.5		.5		5,163			.0	.184	02/01/2024	1
31402R-GM-5	FNMA Pool #735604		09/26/2016	PRINCIPAL RECEIPT		9,910	9,910	9,941	9,911		(1)		(1)		9,910			.0	.331	06/01/2020	1
3136A1-4P-7	FNMA CMO FNR 2011-117 CL-MA		09/26/2016	PRINCIPAL RECEIPT		17,161	17,161	17,204	17,203		(42)		(42)		17,161			.0	.229	08/25/2040	1
3136A2-VK-6	FNMA CMO TR-2011-126		09/26/2016	PRINCIPAL RECEIPT		24,684	24,684	24,684	24,672		.12		.12		24,684			.0	.409	06/25/2040	1
31381P-C9-7	FNMA DUS Pool #466396		09/26/2016	PRINCIPAL RECEIPT		1,840	1,840	1,843	1,841		(1)		(1)		1,840			.0	.44	11/01/2020	1
31371L-XW-4	FNMA Gtd Mtg Pool #25549		09/26/2016	PRINCIPAL RECEIPT		4,915	4,915	4,887	4,890		25		25		4,915			.0	.183	10/01/2024	1
31416X-HY-9	FNMA Gtd Mtg Pool #AB2046		09/26/2016	PRINCIPAL RECEIPT		11,620	11,620	11,424	11,449		171		171		11,620			.0	.230	01/01/2026	1
31418A-LY-2	FNMA Gtd Mtg Pool #MA1242		09/26/2016	PRINCIPAL RECEIPT		21,604	21,604	22,576	22,579		(976)		(976)		21,604			.0	.518	11/01/2042	1
31418A-V5-4	FNMA Gtd Mtg Pool #MA1535		09/26/2016	PRINCIPAL RECEIPT		21,217	21,217	21,204	21,230		(13)		(13)		21,217			.0	.283	08/01/2023	1
31418A-WS-3	FNMA Gtd Mtg Pool #MA1556		09/26/2016	PRINCIPAL RECEIPT		33,105	33,105	32,856	32,937		168		168		33,105			.0	.536	08/01/2028	1
31371K-2X-8	FNMA Pool #254690		09/26/2016	PRINCIPAL RECEIPT		2,985	2,985	2,964	2,968		.17		.17		2,985			.0	.109	04/01/2023	1
31385W-SB-6	FNMA Pool #555014		09/26/2016	PRINCIPAL RECEIPT		4,166	4,166	4,205	4,161		.5		.5		4,166			.0	.152	11/01/2017	1
3136A1-6Y-6	FNMA REMIC Ser 2011-M8 CL-AB		09/26/2016	PRINCIPAL RECEIPT		361,314	361,314	371,927	367,462		(6,148)		(6,148)		361,314			.0	16,930	08/25/2021	1
3136AE-Z4-2	FNMA TR 2013-70 CL-VA		09/26/2016	PRINCIPAL RECEIPT		10,405	10,405	10,939	10,904		(499)		(499)		10,405			.0	.208	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						635,271	635,271	648,751	644,200	0	(8,929)	0	(8,929)	0	635,271	0	0	0	22,529	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
06050W-DN-2	Bank of America Corp Ser Notes		08/15/2016	MATURITY		600,000	600,000	600,000	600,000				.0		600,000			.0	21,900	08/15/2016	2FE
235851-AM-4	Danaher Corp		08/15/2016	Called		563,010	500,000	540,000	532,994		(3,514)		(3,514)		529,480		33,530	33,530	12,567	06/23/2021	1FE
771196-AS-1	Roche Holdings Inc 144A		08/25/2016	CALLED @ 111.5740000		110,458	99,000	114,191	105,694		(1,312)		(1,312)		104,382		6,076	6,076	6,148	03/01/2019	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,273,468	1,199,000	1,254,191	1,238,688	0	(4,826)	0	(4,826)	0	1,233,862	0	39,606	39,606	40,614	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						4,713,641	4,452,253	4,555,822	4,688,473	(161,345)	(19,902)	0	(181,247)	0	4,507,225	0	206,416	206,416	157,266	XXX	XXX
8399999 - Subtotals - Bonds						4,713,641	4,452,253	4,555,822	4,688,473	(161,345)	(19,902)	0	(181,247)	0	4,507,225	0	206,416	206,416	157,266	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
49456B-20-0	Kinder Morgan Inc Depositary Shs		07/29/2016	Harvest Investment Manager		1,170,000		57,075	50,000		275		275		54,093		2,982	2,982	1,361	XXX	
8499999 - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)						57,075	XXX	53,818	0	0	275	0	275	0	54,093	0	2,982	2,982	1,361	XXX	XXX
8999997 - Total - Preferred Stocks - Part 4						57,075	XXX	53,818	0	0	275	0	275	0	54,093	0	2,982	2,982	1,361	XXX	XXX
8999999 - Subtotals - Preferred Stocks						57,075	XXX	53,818	0	0	275	0	275	0	54,093	0	2,982	2,982	1,361	XXX	XXX

STATEMENT AS OF SEPTEMBER 30, 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	F o r e i g n	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)
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
03673L-10-3...	Antero Midstream Partners LP MLP		07/29/2016	Harvest Investment Manager	2,276,000	56,910	XXX	51,213	39,250	(680)			(680)		51,213		5,697	5,697	.881	XXX	J
03674X-10-6...	Antero Res Corp Com		07/29/2016	Harvest Investment Manager	1,988,000	51,965	XXX	56,145		.0			.0		56,145		(4,180)	(4,180)		XXX	J
03957W-10-6...	Archrock Inc.		07/29/2016	Harvest Investment Manager	793,000	6,780	XXX	6,426		.0			.0		6,426		354	354	.40	XXX	J
03957U-10-0...	Archrock Partners LP Boardwalk Pipeline		07/29/2016	Harvest Investment Manager	2,926,000	39,486	XXX	35,845	35,834	(181)			(181)		35,845		3,640	3,640	2,496	XXX	J
096627-10-4...	Partners LP		07/29/2016	Harvest Investment Manager	5,817,000	95,746	XXX	79,273	51,946	(934)			(934)		79,273		16,473	16,473	.917	XXX	J
118230-10-1...	Buckey Partners LP MLP		07/29/2016	Harvest Investment Manager	4,960,000	356,095	XXX	323,723	286,200	(4,088)			(4,088)		323,723		32,372	32,372	11,090	XXX	J
16411R-20-8...	Cheniere Energy Inc Com		07/29/2016	Harvest Investment Manager	1,324,000	55,031	XXX	47,185		.0			.0		47,185		7,846	7,846		XXX	J
16411W-10-8...	Higs LLC		07/29/2016	Harvest Investment Manager	159,000	3,174	XXX	2,735		.0			.0		2,735		439	439	.3	XXX	J
164110-10-1...	Cheniere Energy Partners LP		07/29/2016	Harvest Investment Manager	1,565,000	42,904	XXX	39,729	20,726	(276)			(276)		39,729		3,175	3,175	1,673	XXX	J
198281-10-7...	Columbia Pipeline Partners MLP LP		07/29/2016	Harvest Investment Manager	2,022,000	30,451	XXX	34,242	29,646	(525)			(525)		34,242		(3,791)	(3,791)	670	XXX	J
22758A-10-5...	CrossAmerica Partners LP Unit Ltd.		07/29/2016	Harvest Investment Manager	2,126,000	49,726	XXX	54,191	52,488	(660)			(660)		54,191		(4,465)	(4,465)	2,415	XXX	J
23311P-10-0...	DCP Midstream Partners LP		07/29/2016	Harvest Investment Manager	2,356,000	78,159	XXX	57,371	55,409	(1,070)			(1,070)		57,371		20,788	20,788	3,585	XXX	J
257454-10-8...	Dominion Midstream Partners MLP		07/29/2016	Harvest Investment Manager	466,000	12,228	XXX	14,134	14,226	(145)			(145)		14,134		(1,907)	(1,907)	203	XXX	J
292480-10-0...	Enable Midstream Partners LP MLP		07/11/2016	Harvest Investment Manager	575,000	8,020	XXX	6,830		.0			.0		6,830		1,190	1,190	.76	XXX	J
29250R-10-6...	Enbridge Energy Partners LP MLP		07/29/2016	Harvest Investment Manager	7,085,000	163,943	XXX	149,490	90,550	(2,090)			(2,090)		149,490		14,454	14,454	5,674	XXX	J
29273V-10-0...	Energy Transfer Equity LP MLP		07/29/2016	Harvest Investment Manager	18,319,000	304,163	XXX	244,606	183,937	(353)			(353)		244,606		59,557	59,557	8,779	XXX	J
29273R-10-9...	Energy Transfer Partners LP MLP		07/29/2016	Harvest Investment Manager	15,677,140	615,426	XXX	530,188	427,836	(8,333)			(8,333)		530,188		85,238	85,238	27,409	XXX	J
29336U-10-7...	Enlink Midstream Partners LP MLP		07/29/2016	Harvest Investment Manager	4,675,000	79,497	XXX	75,317	70,697	(2,078)			(2,078)		75,317		4,180	4,180	5,149	XXX	J
293792-10-7...	Enterprise Prods Partners LP MLP		07/29/2016	Harvest Investment Manager	27,328,000	772,546	XXX	692,023	687,437	(8,169)			(8,169)		692,023		80,522	80,522	32,027	XXX	J
26885B-10-0...	EQT Midstream Partners LP		07/29/2016	Harvest Investment Manager	2,068,000	162,159	XXX	151,783	151,524	(4,322)			(4,322)		151,783		10,376	10,376	2,922	XXX	J
337915-10-2...	Genesist Energy LP MLP		08/16/2016	VARIOUS	41,773,000	283,250	XXX	74,385	779,066	(704,682)			(704,682)		74,385		208,865	208,865	14,203	XXX	J
371927-10-4...	Holly Energy Partners LP		07/29/2016	Harvest Investment Manager	1,412,000	50,862	XXX	48,454		.0			.0		48,454		2,407	2,407	854	XXX	J
435763-10-7...	Huntington Bancshares Inc		08/24/2016	CASH IN LIEU - FRAC'L SHR	916,000	32,082	XXX	28,142	28,275	(417)			(417)		28,142		3,940	3,940	1,571	XXX	J
446150-10-4...	Kinder Morgan Inc Del Comm		07/29/2016	Harvest Investment Manager	3,827,000	77,036	XXX	64,420	25,662	(1)			(1)		64,420		12,616	12,616	.882	XXX	J
49456B-10-1...	Macquarie Infrastructure Co LLC		07/29/2016	Harvest Investment Manager	1,804,000	137,841	XXX	126,982	130,099	(4,038)			(4,038)		126,982		10,859	10,859	4,211	XXX	J
55608B-10-5...	Magellan Midstream Partners LP MLP		07/29/2016	Harvest Investment Manager	3,976,000	287,402	XXX	267,274	270,050	(2,776)			(2,776)		267,274		20,128	20,128	9,527	XXX	J
55336V-10-0...	MPLX LP Com MLP		07/29/2016	Harvest Investment Manager	10,055,000	324,719	XXX	376,497	360,066	(8,073)			(8,073)		376,497		(51,778)	(51,778)	14,764	XXX	J
62913M-10-7...	NGL Energy Partners LP		07/29/2016	Harvest Investment Manager	3,631,000	68,316	XXX	43,009	30,658	(14)			(14)		43,009		25,307	25,307	3,277	XXX	J
67058H-10-2...	Nustar Energy LP MLP		07/29/2016	Harvest Investment Manager	2,851,000	139,639	XXX	117,737	83,729	(1,220)			(1,220)		117,737		21,902	21,902	5,167	XXX	J
68288M-10-3...	Oneok Partners LP MLP		07/29/2016	Harvest Investment Manager	2,612,000	104,752	XXX	77,919	66,557	(1,422)			(1,422)		77,919		26,833	26,833	3,763	XXX	J
693180-10-4...	PBF Logistics LP MLP		07/29/2016	Harvest Investment Manager	888,000	19,686	XXX	18,175	18,968	(792)			(792)		18,175		1,511	1,511	.737	XXX	J
718546-10-4...	Phillips 66 Com Stk		07/29/2016	Harvest Investment Manager	644,000	48,051	XXX	55,105		.0			.0		55,105		(7,054)	(7,054)	403	XXX	J
726503-10-5...	Plains All American Pipeline LP		07/29/2016	Harvest Investment Manager	10,613,000	287,633	XXX	242,861	245,160	(2,300)			(2,300)		242,861		44,772	44,772	22,213	XXX	J
72651A-10-8...	Plains GP Hldgs LP CL A MLP		07/29/2016	Harvest Investment Manager	6,332,000	66,371	XXX	59,444	31,261	(404)			(404)		59,444		6,927	6,927	3,072	XXX	J
762760-10-6...	Rice Energy Inc		07/29/2016	Harvest Investment Manager	3,397,000	76,734	XXX	58,602		.0			.0		58,602		18,132	18,132		XXX	J
762819-10-0...	Rice Midstream Partners LP MLP		07/29/2016	Harvest Investment Manager	5,776,000	106,507	XXX	79,203	69,474	(1,923)			(1,923)		79,203		27,304	27,304	3,384	XXX	J
81663A-10-5...	Semgroup Corp CL A		07/29/2016	Harvest Investment Manager	1,603,000	46,694	XXX	32,044		.0			.0		32,044		14,651	14,651	.675	XXX	J
822634-10-1...	Shell Midstream PA MLP		07/29/2016	Harvest Investment Manager	4,238,000	137,541	XXX	150,671	174,675	(25,023)			(25,023)		150,671		(13,130)	(13,130)	2,974	XXX	J
82481R-10-6...	Shire plc		07/13/2016	CASH IN LIEU - FRAC'L SHR	0,440	74	XXX	.20		.0			.0		20		55	55		XXX	J
849343-10-8...	Sprague Resources LP MLP		07/29/2016	Harvest Investment Manager	272,000	6,748	XXX	6,406		.0			.0		6,406		342	342		XXX	J
866142-10-2...	Summit Midstream Partners LP		07/29/2016	Harvest Investment Manager	1,699,000	38,439	XXX	30,958	31,410	(917)			(917)		30,958		7,481	7,481	1,929	XXX	J
86764L-10-8...	Sunoco Logistics Partners LP MLP		07/29/2016	Harvest Investment Manager	2,645,000	73,754	XXX	69,677	43,510	(364)			(364)		69,677		4,077	4,077	1,640	XXX	J
874697-10-5...	Tallgrass Energy partners LP MLP		07/29/2016	Harvest Investment Manager	1,386,000	64,212	XXX	56,187	56,829	(964)			(964)		56,187		8,025	8,025	2,901	XXX	J

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 SEPTEMBER 30, 2016 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

NAIC Group Code0207

Year To Date For The Period Ended 2016

NAIC Company Code26123

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:

\$13,435

2.32 Amount estimated using reasonable assumptions:

\$
- 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