



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2016
OF THE CONDITION AND AFFAIRS OF THE

WESTERN RESERVE MUTUAL CASUALTY COMPANY

NAIC Group Code	0207	0207	NAIC Company Code	26131	Employer's ID Number	34-0613930
	(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	06/29/1937		Commenced Business	07/30/1937		
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		330-262-9060-2437	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	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 Durham, Notary Public
July 30, 2021

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	98,639,947	0	98,639,947	97,880,477
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	52,543,788	326,669	52,217,119	51,975,714
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)	6,962,561	0	6,962,561	7,115,080
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 (\$(23,479,713)), cash equivalents (\$0) and short-term investments (\$4,850,569)	(18,629,144)	0	(18,629,144)	(13,711,856)
6. Contract loans (including \$ premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	13,093,162	1,353,205	11,739,957	6,380,912
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)	152,610,314	1,679,873	150,930,441	149,640,326
13. Title plants less \$ charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,107,753	0	1,107,753	969,578
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	33,949,188	149,468	33,799,721	30,016,804
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	70,819	0	70,819	10,623
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	1,137,594	0	1,137,594	599,688
18.2 Net deferred tax asset	2,343,588	0	2,343,588	2,829,482
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	15,395,670	13,290,120	2,105,550	1,394,753
21. Furniture and equipment, including health care delivery assets (\$)	314,039	314,039	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	21,190	0	21,190	32,910
24. Health care (\$) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other-than-invested assets	118,394	118,394	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	207,068,550	15,551,894	191,516,656	185,494,164
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	207,068,550	15,551,894	191,516,656	185,494,164
DETAILS OF WRITE-INS				
1101.	0	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 Expense	118,394	118,394	0	0
2502.	0	0	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)	118,394	118,394	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$13,563,062)	28,166,341	25,578,034
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	5,383,974	5,383,973
4. Commissions payable, contingent commissions and other similar charges	2,553,212	2,754,764
5. Other expenses (excluding taxes, licenses and fees)	2,641,846	3,804,939
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	815,559	945,283
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
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)	39,199,072	36,843,699
10. Advance premium	819,719	653,890
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(302,701)	283,308
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	909,258	1,676,896
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	943,984
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	80,186,278	78,868,769
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	80,186,278	78,868,769
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)	111,330,378	106,625,394
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)	111,330,378	106,625,394
38. Totals (Page 2, Line 28, Col. 3)	191,516,656	185,494,164
DETAILS OF WRITE-INS		
2501. Other Liabilities.....	0	943,984
2502.		
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	943,984
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
3202.		0
3203.		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 \$ 73,204,956)	72,005,739	76,417,507	100,992,476
1.2 Assumed (written \$ 62,249,903)	59,894,530	58,086,505	77,562,765
1.3 Ceded (written \$ 73,204,956)	72,005,739	76,417,507	100,992,476
1.4 Net (written \$ 62,249,903)	59,894,530	58,086,505	77,562,765
DEDUCTIONS:			
2. Losses incurred (current accident year \$)::			
2.1 Direct	37,210,123	39,662,018	50,783,346
2.2 Assumed	31,896,935	30,070,058	40,267,610
2.3 Ceded	37,210,140	39,661,901	50,783,346
2.4 Net	31,896,918	30,070,175	40,267,610
3. Loss adjustment expenses incurred	5,750,466	5,647,230	8,161,084
4. Other underwriting expenses incurred	19,877,326	18,916,993	25,299,082
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	57,524,710	54,634,397	73,727,776
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,369,820	3,452,108	3,834,989
INVESTMENT INCOME			
9. Net investment income earned	2,563,832	2,523,533	3,569,404
10. Net realized capital gains (losses) less capital gains tax of \$ 382,508	742,516	1,705,359	(811,083)
11. Net investment gain (loss) (Lines 9 + 10)	3,306,347	4,228,892	2,758,321
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 49,999)	(49,999)	(67,115)	(88,215)
13. Finance and service charges not included in premiums	871,481	883,634	1,178,538
14. Aggregate write-ins for miscellaneous income	1,947	1,225	429
15. Total other income (Lines 12 through 14)	823,429	817,744	1,090,752
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,499,596	8,498,744	7,684,061
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	6,499,596	8,498,744	7,684,061
19. Federal and foreign income taxes incurred	729,586	1,662,670	2,979,119
20. Net income (Line 18 minus Line 19)(to Line 22)	5,770,010	6,836,074	4,704,943
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	106,625,394	106,201,929	106,201,929
22. Net income (from Line 20)	5,770,010	6,836,074	4,704,943
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 \$ 1,122,846	2,179,642	(6,221,591)	(2,623,071)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	636,952	341,253	2,181,063
27. Change in nonadmitted assets	(3,881,619)	(1,696,114)	(3,847,414)
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	3,178	7,944
38. Change in surplus as regards policyholders (Lines 22 through 37)	4,704,985	(737,199)	423,465
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	111,330,378	105,464,730	106,625,394
DETAILS OF WRITE-INS			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	1,947	1,225	429
1402.	0	0	0
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)	1,947	1,225	429
3701. Change in Surplus Due to Prior Period Adjustment (see Footnote 2)	0	3,178	7,944
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	3,178	7,944

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.....	58,011,805	56,793,271	77,026,943
2. Net investment income	2,837,330	2,933,393	4,196,628
3. Miscellaneous income	823,429	817,744	1,090,752
4. Total (Lines 1 to 3)	61,672,564	60,544,408	82,314,322
5. Benefit and loss related payments	29,368,807	28,325,787	38,266,314
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	27,082,831	25,256,833	32,576,733
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	1,650,000	2,543,348	3,323,348
10. Total (Lines 5 through 9)	58,101,637	56,125,969	74,166,395
11. Net cash from operations (Line 4 minus Line 10)	3,570,926	4,418,440	8,147,927
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	9,723,560	8,661,537	13,238,916
12.2 Stocks	5,979,202	13,655,122	15,003,503
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	1,376,362	455,841	544,028
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	167,121	0	4,006,296
12.8 Total investment proceeds (Lines 12.1 to 12.7)	17,246,245	22,772,500	32,792,743
13. Cost of investments acquired (long-term only):			
13.1 Bonds	10,764,042	10,010,490	16,111,516
13.2 Stocks	2,270,913	18,087,607	19,942,597
13.3 Mortgage loans	0	0	0
13.4 Real estate	14,574	0	0
13.5 Other invested assets	6,830,000	2,400,000	2,680,000
13.6 Miscellaneous applications	0	87,931	4,006,296
13.7 Total investments acquired (Lines 13.1 to 13.6)	19,879,529	30,586,028	42,740,409
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)	(2,633,284)	(7,813,528)	(9,947,666)
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).....	(5,854,930)	(3,702,356)	(5,303,380)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(5,854,930)	(3,702,356)	(5,303,380)
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)	(4,917,288)	(7,097,444)	(7,103,119)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(13,711,856)	(6,608,737)	(6,608,737)
19.2 End of period (Line 18 plus Line 19.1)	(18,629,144)	(13,706,182)	(13,711,856)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Western Reserve Mutual Casualty Company (WRMCC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

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

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

	State of Domicile	2016	2015
<u>NET INCOME</u>			
(1) WRMCC state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$ 5,770,010	\$ 4,704,943
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (1-2-3=4)		<u>\$ 5,770,010</u>	<u>\$ 4,704,943</u>
<u>SURPLUS</u>			
(5) WRMCC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 111,330,378	\$ 106,625,394
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(8) NAIC SAP (5-6-7=8)		<u>\$ 111,330,378</u>	<u>\$ 106,625,394</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.

NOTES TO FINANCIAL STATEMENTS

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

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

7. Investment Income

No significant changes.

8. Derivative Instruments

No significant changes.

9. Income Taxes

- A. The components of the net deferred tax asset/(liability) at September 30, 2016 and December 31, 2015 are as follows:

1.

	09/30/2016		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 9,732,451	\$ 1,096,579	\$ 10,829,030
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	9,732,451	1,096,579	10,829,030
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	9,732,451	1,096,579	10,829,030
(f) Deferred Tax Liabilities	(638,981)	(7,846,461)	(8,485,442)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 9,093,470</u>	<u>\$ (6,749,883)</u>	<u>\$ 2,343,588</u>

NOTES TO FINANCIAL STATEMENTS

	12/31/2015		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 8,395,656	\$ 1,629,618	\$ 10,025,274
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	8,395,656	1,629,618	10,025,274
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	8,395,656	1,629,618	10,025,274
(f) Deferred Tax Liabilities	(472,176)	(6,723,616)	(7,195,792)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 7,923,479</u>	<u>\$ (5,093,997)</u>	<u>\$ 2,829,482</u>
	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ 1,336,795	\$ (533,039)	\$ 803,756
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	1,336,795	(533,039)	803,756
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	1,336,795	(533,039)	803,756
(f) Deferred Tax Liabilities	(166,805)	(1,122,846)	(1,289,650)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 1,169,990</u>	<u>\$ (1,655,884)</u>	<u>\$ (485,894)</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.	\$ 3,654,931	\$ —	\$ 3,654,931
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	1,977,420	—	1,977,420
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	1,977,420	—	1,977,420
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	16,032,186
(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>4,100,100</u>	<u>1,096,579</u>	<u>5,196,679</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 9,732,451</u>	<u>\$ 1,096,579</u>	<u>\$ 10,829,030</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.			\$ 3,514,519	\$ —	\$ 3,514,519
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)			1,951,452	—	1,951,452
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			1,951,452	—	1,951,452
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			XXX	XXX	15,360,174
(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>2,929,684</u>	<u>1,629,618</u>	<u>4,559,302</u>
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))			<u>\$ 8,395,655</u>	<u>\$ 1,629,618</u>	<u>\$ 10,025,274</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.			\$ 140,412	\$ —	\$ 140,412
(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)			25,968	—	25,968
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			25,968	—	25,968
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			XXX	XXX	224,987
(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>1,170,416</u>	<u>(533,039)</u>	<u>637,376</u>
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))			<u>\$ 1,336,795</u>	<u>\$ (533,040)</u>	<u>\$ 803,756</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.			\$106,881,240	\$102,401,159	

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)	\$ 9,732,451	\$ 1,096,579
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)	\$ 9,732,451	\$ 1,096,579
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)	\$ 8,395,656	\$ 1,629,618
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)	\$ 8,395,656	\$ 1,629,618
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) Ordinary	(Col 2-4) 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)	\$ 1,336,795	\$ (533,039)
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)	\$ 1,336,795	\$ (533,039)
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	\$ 729,586	\$ 2,979,119	\$ (2,249,535)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 729,586	\$ 2,979,119	\$ (2,249,535)
(d) Federal income tax on net capital gains	\$ 382,508	\$ (417,831)	\$ 800,339
(e) Utilization of operating loss carry-forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 1,112,094</u>	<u>\$ 2,561,288</u>	<u>\$ (1,449,194)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 364,486	\$ 362,706	\$ 1,780
(2) Unearned premium reserve	\$ 2,665,537	\$ 2,505,372	\$ 160,166
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed Assets/prepaid expense	\$ 4,716,487	\$ 3,491,274	\$ 1,225,213
(8) Compensation and benefits accrual	\$ 242,539	\$ 317,153	\$ (74,614)
(9) Pension accrual	\$ 53,181	\$ 192,238	\$ (139,057)
(10) Receivables – nonadmitted	\$ 459,558	\$ 377,081	\$ 82,477
(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	\$ 793,688	\$ 793,688	\$ —
(15) Software capitalized	\$ 350,631	\$ 311,675	\$ 38,956
(16) Other	<u>\$ 86,343</u>	<u>\$ 44,468</u>	<u>\$ 41,875</u>
(99) Subtotal	\$ 9,732,451	\$ 8,395,656	\$ 1,336,795
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 9,732,451</u>	<u>\$ 8,395,656</u>	<u>\$ 1,336,795</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	\$ 1,081,323	\$ 1,622,818	\$ (541,496)
(6) Other	<u>\$ 15,256</u>	<u>\$ 6,800</u>	<u>\$ 8,456</u>
(99) Subtotal	\$ 1,096,579	\$ 1,629,618	\$ (533,039)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 1,096,579</u>	<u>\$ 1,629,618</u>	<u>\$ (533,039)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 10,829,030</u>	<u>\$ 10,025,274</u>	<u>\$ 803,756</u>
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (246,145)	\$ (209,993)	\$ (36,152)
(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	\$ (231,630)	\$ (180,434)	\$ (51,196)
(7) Other	<u>\$ (161,207)</u>	<u>\$ (81,750)</u>	<u>\$ (79,457)</u>
(99) Subtotal	\$ (638,982)	\$ (472,176)	\$ (166,805)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	<u>\$ (7,846,460)</u>	<u>\$ (6,723,616)</u>	<u>\$ (1,122,846)</u>
(99) Subtotal	<u>\$ (7,846,460)</u>	<u>\$ (6,723,616)</u>	<u>\$ (1,122,846)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (8,485,442)</u>	<u>\$ (7,195,792)</u>	<u>\$ (1,289,650)</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ 2,343,588</u>	<u>\$ 2,829,482</u>	<u>\$ (485,894)</u>

NOTES TO FINANCIAL STATEMENTS

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

	<u>09/30/2016</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 2,339,915	34.0%
Tax exempt interest	(233,002)	(3.4%)
Dividends received deduction	(155,795)	(2.3%)
Change in deferred tax on nonadmitted assets	(1,307,691)	(19.0%)
Other	(168,285)	(2.5%)
Total	<u>\$ 475,142</u>	<u>6.9%</u>
Federal and foreign income taxes incurred	\$ 729,586	10.6%
Tax on capital gains (losses)	382,508	5.6%
Change in net deferred income taxes	(636,952)	(9.3%)
Total statutory income taxes	<u>\$ 475,142</u>	<u>6.9%</u>

E. Carry-forwards, recoverable taxes, and IRC §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 of September 30, 2016, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$4,658,660.

(3) The Company has no deposits reported as admitted assets under IRC §6603 as 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 was an intercompany receivable of \$21,190 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 change.
- G. No significant change.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. No significant change.

11. Debt

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

A. Defined Benefit Plan

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

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of September 30, 2016 and December 31, 2015, amounts held for these deferrals were \$.8 million and \$1.6 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

E. Defined Contribution Plans

No significant changes.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

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

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$23.1 million and \$15.9 million at September 30, 2016 and December 31, 2015, respectively.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

NOTES TO FINANCIAL STATEMENTS

14. Liabilities, Contingencies and Assessments

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

15. Leases

No significant changes.

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

Not applicable.

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

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

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

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

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

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

Level 1:

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

Level 2:

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

Level 3:

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

(1) Fair Value Measurements at September 30, 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	\$ —	\$ —	\$ —	\$ —
Total Preferred Stocks	—	—	—	—
Common Stock:				
Mutual Funds	18,863,977	—	—	18,863,977
Industrial and Misc	33,237,894	—	115,248	33,353,142
Total Common Stocks	52,101,871	—	115,248	52,217,119
Other Invested Assets	4,810,060	6,929,897	—	11,739,957
Total assets at fair value	\$ 56,911,931	\$ 6,929,897	\$ 115,248	\$ 63,957,076
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	\$ 446,697	\$ —	\$ —	\$ 446,697
Industrial and Misc	51,413,770	—	115,247	51,529,017
Total Common Stocks	51,860,467	—	115,247	51,975,714
Other Invested Assets	—	6,380,912	—	6,380,912
Total assets at fair value	\$ 51,860,467	\$ 6,380,912	\$ 115,247	\$ 58,356,626
b. Liabilities at fair value:				
Not applicable.				

NOTES TO FINANCIAL STATEMENTS

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

	Beginning Balance at 01/01/2016	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases (Sales)	Ending Balance at 09/30/2016
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 115,248	\$ —	\$ —	\$ —	\$ —	\$ 115,248
Other Invested						
Assets	—	—	—	—	—	—
Total Assets	\$ 115,248	\$ —	\$ —	\$ —	\$ —	\$ 115,248
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	\$ 103,255,894	\$ 98,639,947	\$ 6,030,658	\$ 97,225,236	\$ —	\$ —
Preferred Stock	—	—	—	—	—	—
Common Stock	52,217,119	52,217,119	52,101,871	—	115,248	—
Other Invested Assets	11,739,957	11,739,957	4,810,060	6,929,897	—	—
Short-Term Investments	4,850,569	4,850,569	—	4,850,569	—	—

- 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-Transferable 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 – Nonrecognized 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.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

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

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2015 were \$31.0 million. During 2016, \$11.8 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$17.1 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$2.0 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.

NOTES TO FINANCIAL STATEMENTS

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:	\$ 10	\$ 10	\$ 62	\$ 32	\$ 32
2) Incurred losses and loss adjustment expense:	28	69	28	0	6
3) Calendar year payments for losses and loss adjustment expenses:	<u>8</u>	<u>36</u>	<u>58</u>	<u>0</u>	<u>6</u>
4) Ending reserves:	<u>\$ 30</u>	<u>\$ 62</u>	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 32</u>
(2) Assumed Reinsurance –					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(3) Net of Ceded Reinsurance –					
1) Beginning reserves:	\$ 10	\$ 30	\$ 62	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	28	40	(62)	—	2
3) Calendar year payments for loss and loss adjustment expenses:	<u>8</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>2</u>
4) Ending reserves:	<u>\$ 30</u>	<u>\$ 62</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

- E. State the amount of ending reserves for Bulk + IBNR included in D (Loss & 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.

NOTES TO FINANCIAL STATEMENTS

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 [X] No []

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$21,190

INVESTMENT

11.1

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

Yes [] No [X]

11.2

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

12.

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

13.

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

14.1

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

Yes [X] No []

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$296,327	\$326,669
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).....	\$296,327	\$326,669
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1

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

Yes [] No [X]

15.2

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

Yes [] No []

If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

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

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

\$

\$

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto.
.....

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent

0.0 %

5.2 A&H cost containment percent

0.0 %

5.3 A&H expense percent excluding cost containment expenses.....

0.0 %

6.1 Do you act as a custodian for health savings accounts?..... Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$

6.3 Do you act as an administrator for health savings accounts?..... Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

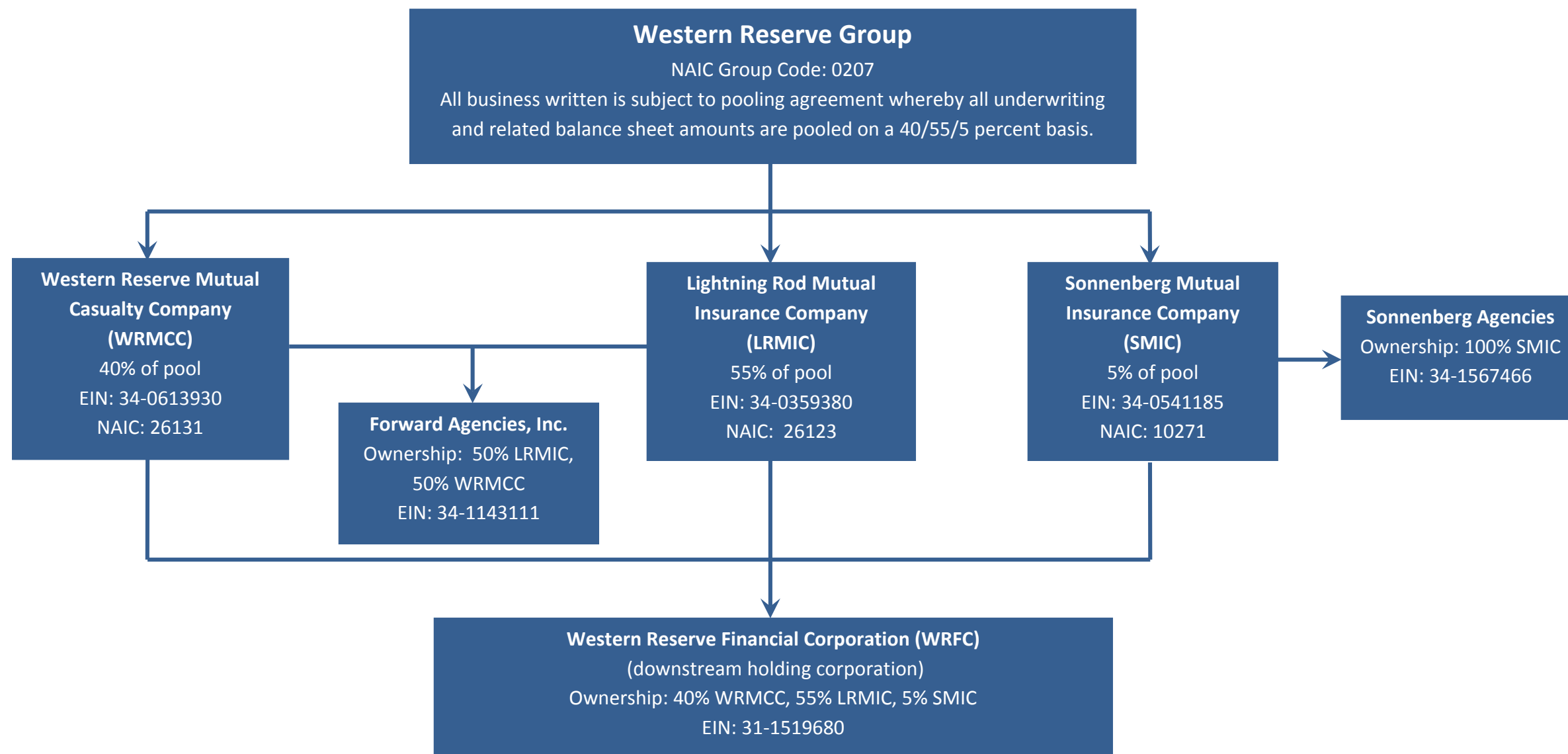
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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	21,060,158	22,024,015	12,005,729	11,248,459	12,876,520	10,205,317
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	52,144,798	54,019,408	23,624,964	26,793,937	26,019,927	28,816,726
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	73,204,956	76,043,423	35,630,693	38,042,396	38,896,447	39,022,043
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



STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE Y

PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

[illegible]

Asterisk	Explanation

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire	2,429,104	726,034	29.9	42.3
2.	Allied lines	1,316,483	1,300,822	98.8	69.1
3.	Farmowners multiple peril	0	0	0.0	0.0
4.	Homeowners multiple peril	14,272,830	5,483,081	38.4	43.1
5.	Commercial multiple peril	10,204,428	3,887,043	38.1	61.7
6.	Mortgage guaranty	0		0.0	0.0
8.	Ocean marine	0		0.0	0.0
9.	Inland marine	788,242	434,247	55.1	11.2
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	14,135		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	1,048,142	447,117	42.7	36.4
17.1	Other liability occurrence	2,468,178	247,043	10.0	6.7
17.2	Other liability-claims made	10,082	0	0.0	0.0
17.3	Excess Workers' Compensation	0		0.0	0.0
18.1	Products liability-occurrence	82,797	(6,999)	(8.5)	19.5
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	19,102,670	13,927,890	72.9	59.6
19.3,19.4	Commercial auto liability	2,986,472	930,125	31.1	17.0
21.	Auto physical damage	17,106,051	9,759,435	57.1	58.7
22.	Aircraft (all perils)	0		0.0	0.0
23.	Fidelity	0		0.0	0.0
24.	Surety	0		0.0	0.0
26.	Burglary and theft	26,045	(3,161)	(12.1)	2.7
27.	Boiler and machinery	150,080	77,446	51.6	15.0
28.	Credit	0		0.0	0.0
29.	International	0		0.0	0.0
30.	Warranty	0		0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	72,005,739	37,210,123	51.7	51.9
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	840,657	2,423,099	2,381,848
2.	Allied lines	454,682	1,311,806	1,300,907
3.	Farmowners multiple peril	0	0	0
4.	Homeowners multiple peril	6,244,400	14,929,256	14,723,006
5.	Commercial multiple peril	3,398,544	10,888,138	10,388,346
6.	Mortgage guaranty	0	0	0
8.	Ocean marine	0	0	0
9.	Inland marine	170,999	748,739	733,265
10.	Financial guaranty	0	0	0
11.1	Medical professional liability-occurrence	0	0	0
11.2	Medical professional liability-claims made	0	0	0
12.	Earthquake	5,012	14,160	13,000
13.	Group accident and health	0	0	0
14.	Credit accident and health	0	0	0
15.	Other accident and health	0	0	0
16.	Workers' compensation	333,492	1,106,068	1,102,289
17.1	Other liability occurrence	810,460	2,592,353	2,515,168
17.2	Other liability-claims made	2,583	10,232	10,836
17.3	Excess Workers' Compensation	0	0	0
18.1	Products liability-occurrence	33,378	78,858	94,832
18.2	Products liability-claims made	0	0	0
19.1,19.2	Private passenger auto liability	6,098,285	18,721,204	21,125,100
19.3,19.4	Commercial auto liability	950,041	3,165,022	2,965,700
21.	Auto physical damage	5,699,787	17,019,434	18,525,201
22.	Aircraft (all perils)	0	0	0
23.	Fidelity	0	0	0
24.	Surety	0	0	0
26.	Burglary and theft	10,050	26,007	27,132
27.	Boiler and machinery	60,511	170,580	136,793
28.	Credit	0	0	0
29.	International	0	0	0
30.	Warranty	0	0	0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	25,112,881	73,204,956	76,043,423
DETAILS OF WRITE-INS				
3401.		0		0
3402.		0		0
3403.		0		0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2016 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2013 + Prior	5,948	639	6,587	2,513	17	2,530	2,754	215	158	3,127	(681)	(249)	(930)
2. 2014	7,360	517	7,877	2,103	54	2,157	4,514	93	227	4,834	(743)	(143)	(886)
3. Subtotals 2014 + prior	13,308	1,156	14,464	4,616	71	4,687	7,268	308	385	7,961	(1,424)	(392)	(1,816)
4. 2015	12,855	3,643	16,498	6,376	728	7,104	7,760	689	720	9,169	1,281	(1,506)	(225)
5. Subtotals 2015 + prior	26,163	4,799	30,962	10,992	799	11,791	15,028	997	1,105	17,130	(143)	(1,898)	(2,041)
6. 2016	XXX	XXX	XXX	XXX	23,268	23,268	XXX	12,892	3,528	16,420	XXX	XXX	XXX
7. Totals	26,163	4,799	30,962	10,992	24,067	35,059	15,028	13,889	4,633	33,550	(143)	(1,898)	(2,041)
8. Prior Year-End Surplus As Regards Policy-holders	106,625										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. (0.5)	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.



26131201649000003

2.



26131201645500003

3.



26131201636500003

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	7,115,080	7,337,621
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	14,574	.0
2.2 Additional investment made after acquisition .....		.0
3. Current year change in encumbrances .....		.0
4. Total gain (loss) on disposals .....		.0
5. Deduct amounts received on disposals .....		.0
6. Total foreign exchange change in book/adjusted carrying value .....		.0
7. Deduct current year's other-than-temporary impairment recognized .....		.0
8. Deduct current year's depreciation	167,093	222,541
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	6,962,561	7,115,080
10. Deduct total nonadmitted amounts .....	.0	.0
11. Statement value at end of current period (Line 9 minus Line 10)	6,962,561	7,115,080

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	7,360,507	5,530,377
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	6,830,000	2,680,000
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)	279,017	(305,842)
6. Total gain (loss) on disposals .....		.0
7. Deduct amounts received on disposals	1,376,362	544,028
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)	13,093,162	7,360,507
12. Deduct total nonadmitted amounts	1,353,205	979,596
13. Statement value at end of current period (Line 11 minus Line 12)	11,739,957	6,380,911

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	150,152,519	147,701,244
2. Cost of bonds and stocks acquired	13,034,441	36,054,113
3. Accrual of discount	30,727	63,590
4. Unrealized valuation increase (decrease)	3,023,442	(3,668,509)
5. Total gain (loss) on disposals	1,125,024	2,777,382
6. Deduct consideration for bonds and stocks disposed of	15,702,761	28,242,420
7. Deduct amortization of premium	479,657	526,586
8. Total foreign exchange change in book/adjusted carrying value .....		.0
9. Deduct current year's other-than-temporary impairment recognized		4,006,295
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	151,183,735	150,152,519
11. Deduct total nonadmitted amounts	326,669	296,328
12. Statement value at end of current period (Line 10 minus Line 11)	150,857,066	149,856,191

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY 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).....	94,060,162	19,743,125	15,992,445	(1,594,688)	94,760,063	94,060,162	96,216,155	96,012,732
2. NAIC 2 (a).....	5,162,988	411,480	400,000	1,291,622	5,208,131	5,162,988	6,466,090	3,921,895
3. NAIC 3 (a).....	811,008			(2,737)	0	811,008	808,271	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	100,034,158	20,154,605	16,392,445	(305,802)	99,968,195	100,034,158	103,490,516	99,934,627
PREFERRED STOCK								
8. NAIC 1	38,201	3,995	40,012	(2,184)	0	38,201	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock.....	38,201	3,995	40,012	(2,184)	0	38,201	0	0
15. Total Bonds & Preferred Stock	100,072,359	20,158,600	16,432,457	(307,986)	99,968,195	100,072,359	103,490,516	99,934,627

(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	4,850,569	XXX	4,850,569	1,920	

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.....	2,054,149	6,902,324
2. Cost of short-term investments acquired	24,556,984	40,838,505
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	21,760,564	45,686,680
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).....	4,850,569	2,054,149
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	4,850,569	2,054,149

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

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STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY 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		398,682	400,000	83	1
0599999 - Bonds - U.S. Governments						398,682	400,000	83	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		237,058	200,000		1FE
23426P-GA-4	Dakota Valley SD Sch Dist #61-8		09/19/2016	D A Davidson & Co		232,132	200,000		1FE
250139-DZ-2	Des Moines IA Stormwater Mgt Rev		09/01/2016	Hutchinson, Shockey, Erle		396,184	400,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						865,374	800,000	0	XXX
Bonds - U.S. Special Revenue									
09845N-CG-2	Bonney Lake WA Wtr & Swr Revenue		09/28/2016	D A Davidson & Co		262,325	225,000		1FE
10901R-BJ-7	Brier Creek IN Sch Bldg Revenue		08/10/2016	Fifth Third Securities, Inc		472,924	400,000		1FE
199437-ME-1	Columbus NE Revenue		09/22/2016	D A Davidson & Co		236,156	200,000		1FE
592041-WJ-2	Met Govt Nshvle & Davidson Cnty T		07/07/2016	D A Davidson & Co		446,340	400,000	495	1FE
735389-XF-0	Port of Seattle WA		08/19/2016	First Empire Securities Inc		502,372	400,000	1,222	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						1,920,117	1,625,000	1,718	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
88579Y-AV-3	3M Company		09/14/2016	Blaylock Beal Van, LLC		395,680	400,000		1FE
06406H-CV-9	Bank of New York Mellon Corp		09/08/2016	Raymond James & Associates, Inc		432,096	400,000	4,458	1FE
067383-AE-9	CR Bard Inc		08/15/2016	First Empire Securities Inc		411,480	400,000	3,300	2FE
91159H-HM-5	US Bancorp		08/31/2016	D A Davidson & Co		415,072	400,000	4,478	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,654,328	1,600,000	12,236	XXX
8399997 - Subtotals - Bonds - Part 3						4,838,501	4,425,000	14,036	XXX
8399999 - Subtotals - Bonds						4,838,501	4,425,000	14,036	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
49456B-20-0	Kinder Morgan Inc Depository Shs		07/07/2016	Harvest Investment Manager	85,000	3,995	50.00		
8499999 - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)						3,995	XXX	0	XXX
8999997 - Subtotals - Preferred Stocks - Part 3						3,995	XXX	0	XXX
8999999 - Subtotals - Preferred Stocks						3,995	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	40,000	1,046			L
03957W-10-6	Archrock Inc		07/26/2016	Harvest Investment Manager	2,000	19			L
03957U-10-0	Archrock Partners LP		07/26/2016	Harvest Investment Manager	4,000	54			L
096627-10-4	Boardwalk Pipeline Partners LP		07/26/2016	Harvest Investment Manager	48,000	813			L
118230-10-1	Buckey Partners LP MLP		07/26/2016	Harvest Investment Manager	20,000	1,450			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
16411Q-10-1	Cheniere Energy Partners LP		07/26/2016	Harvest Investment Manager	5,000	138			L
198281-10-7	Columbia Pipeline Partners MLP LP		07/26/2016	Harvest Investment Manager	5,000	77			L
22758A-10-5	CrossAmerica Partners LP Unit Ltd		07/26/2016	Harvest Investment Manager	7,000	166			L
23311P-10-0	DCP Midstream Partners LP		07/26/2016	Harvest Investment Manager	5,000	166			L
29250R-10-6	Enbridge Energy Partners LP MLP		07/26/2016	Harvest Investment Manager	14,000	334			L
29273R-10-9	Energy Transfer Partners LP MLP		07/26/2016	Harvest Investment Manager	44,000	1,758			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	93,000	2,696			L
26885B-10-0	EQT Midstream Partners LP		07/26/2016	Harvest Investment Manager	18,000	1,378			L
435763-10-7	Holly Energy Partners LP		07/26/2016	Harvest Investment Manager	5,000	178			L
446150-10-4	Huntington Bancshares Inc		08/16/2016	Stock Merger	31,555,120	31,953			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	9,000	690			L
55336V-10-0	MPLX LP Com MLP		07/26/2016	Harvest Investment Manager	13,000	439			L
62913M-10-7	NGL Energy Partners LP		07/26/2016	Harvest Investment Manager	17,000	322			L
67058H-10-2	Nustar Energy LP MLP		07/26/2016	Harvest Investment Manager	2,000	98			L
68268N-10-3	Oneok Partners LP MLP		07/26/2016	Harvest Investment Manager	1,000	40			L
718546-10-4	Phillips 66 Com Stk		07/26/2016	Harvest Investment Manager	4,000	305			L
72651A-10-8	Plains GP Hldgs LP CL A MLP		07/26/2016	Harvest Investment Manager	107,000	1,089			L
762819-10-0	Rice Midstream Partners LP MLP		07/26/2016	Harvest Investment Manager	15,000	295			L
822634-10-1	Shell Midstream PA MLP		07/26/2016	Harvest Investment Manager	14,000	457			L

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 3

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

[illegible]

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

E04.1

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 4

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

CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					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)
										11	12	13	14	15							
Bonds - U.S. Governments																					
30250R-AA-2	FDIC 20110-R1 TR CTF CI 1-A 144A		09/26/2016	PRINCIPAL RECEIPT		38,704	38,704	38,704	38,704				.0		38,704		.0		.560	05/25/2050	1
36295P-6H-0	GNMA Pool #676872		09/15/2016	PRINCIPAL RECEIPT		13,371	13,371	13,488	13,447		(75)		(75)		13,371		.0		.436	03/15/2023	1
831641-ES-0	SBA SBIC 2010-10A 1 CMO		09/12/2016	PRINCIPAL RECEIPT		16,812	16,812	18,326	17,861		(1,048)		(1,048)		16,812		.0		.693	03/10/2020	1
831641-EZ-4	SBA SBIC 2013-10B CL1		09/12/2016	PRINCIPAL RECEIPT		72,978	72,978	76,163	75,400		(2,422)		(2,422)		72,978		.0		2,667	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						1,328,785	1,141,865	1,162,929	1,323,103	(161,345)	(3,538)	0	(164,883)	0	1,158,220	0	170,565	170,565	33,899	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		500,000	500,000	504,940	500,392		(392)		(392)		500,000		.0		20,000	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						10,000		.0		.231	06/01/2022	1FE
432841-MK-7	Hilton Head Island Town SC		09/15/2016	Called		400,000	400,000	409,668	404,506		(707)		(707)		403,799		(3,799)	(3,799)	19,531	03/01/2021	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						910,000	910,000	924,608	914,898	0	(1,099)	0	(1,099)	0	913,799	0	(3,799)	(3,799)	39,762	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		2,617	2,617	2,617	2,617				.0		2,617		.0		.93	06/01/2021	1
31335H-5P-4	FHLMC (Gold) Pool #C90854		09/15/2016	PRINCIPAL RECEIPT		2,484	2,484	2,492	2,490		(6)		(6)		2,484		.0		.84	09/01/2024	1
31294K-K5-3	FHLMC (Gold) Pool #E01216		09/15/2016	PRINCIPAL RECEIPT		2,314	2,314	2,332	2,314				.0		2,314		.0		.85	10/01/2017	1
3128M1-PA-1	FHLMC (Gold) Pool #G12317		09/15/2016	PRINCIPAL RECEIPT		1,993	1,993	1,993	1,993				.0		1,993		.0		.70	08/01/2021	1
312800-N9-4	FHLMC (Gold) Pool #J19416		09/15/2016	PRINCIPAL RECEIPT		15,174	15,174	15,591	15,549		(375)		(375)		15,174		.0		.294	06/01/2027	1
31374P-BD-1	FHLMC CMO 4033 EB		09/15/2016	PRINCIPAL RECEIPT		22,577	22,577	22,528	22,528		.49		.49		22,577		.0		.302	10/15/2036	1
31326F-Y9-3	FHLMC Pool #281636		09/15/2016	PRINCIPAL RECEIPT		5,417	5,417	5,295	5,299		.118		.118		5,417		.0		.76	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		.702	09/01/2042	1
31371L-JU-4	FNMA Gtd Mtg Pool #255075		09/25/2016	PRINCIPAL RECEIPT		3,442	3,442	3,441	3,438		.4		.4		3,442		.0		.123	02/01/2024	1
31402R-GM-5	FNMA Pool #735604		09/26/2016	PRINCIPAL RECEIPT		6,433	6,433	6,453	6,433		(1)		(1)		6,433		.0		.216	06/01/2020	1
3136A1-4P-7	FNMA CMO FNR 2011-117 CL-MA		09/26/2016	PRINCIPAL RECEIPT		11,441	11,441	11,469	11,469		(28)		(28)		11,441		.0		.153	08/25/2040	1
3136A2-VK-6	FNMA CMO TR-2011-126		09/26/2016	PRINCIPAL RECEIPT		16,538	16,538	16,538	16,530		.8		.8		16,538		.0		.275	06/25/2040	1
31381P-C9-7	FNMA DUS Pool #466396		09/26/2016	PRINCIPAL RECEIPT		1,380	1,380	1,382	1,381		(1)		(1)		1,380		.0		.33	11/01/2020	1
31371L-XW-4	FNMA Gtd Mtg Pool #25549		09/26/2016	PRINCIPAL RECEIPT		3,276	3,276	3,258	3,260		.17		.17		3,276		.0		.122	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		.231	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		14,145	14,145	14,136	14,153		(9)		(9)		14,145		.0		.189	08/01/2023	1
31418A-WS-3	FNMA Gtd Mtg Pool #MA1556		09/26/2016	PRINCIPAL RECEIPT		22,070	22,070	21,904	21,958		.112		.112		22,070		.0		.358	08/01/2028	1
31371K-2X-8	FNMA Pool #254690		09/26/2016	PRINCIPAL RECEIPT		1,990	1,990	1,976	1,978		.12		.12		1,990		.0		.73	04/01/2023	1
31385W-SB-6	FNMA Pool #555014		09/26/2016	PRINCIPAL RECEIPT		2,045	2,045	2,064	2,044		.1		.1		2,045		.0		.75	11/01/2017	1
3136A1-6Y-6	FNMA REMIC Ser 2011-M8 CL AB		09/26/2016	PRINCIPAL RECEIPT		316,149	316,149	325,436	321,977		(5,828)		(5,828)		316,149		.0		14,814	08/25/2021	1
3136AE-Z4-2	FNMA TR 2013-70 CL-VA		09/26/2016	PRINCIPAL RECEIPT		10,388	10,388	10,921	10,886		(498)		(498)		10,388		.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						524,398	524,398	536,476	532,954	0	(8,556)	0	(8,556)	0	524,398	0	0	0	19,093	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
06050W-DN-2	Bank of America Corp Ser Notes		08/15/2016	MATURITY		400,000	400,000	400,000	400,000				.0		400,000		.0		14,600	08/15/2016	2FE
235851-AM-4	Danaher Corp		08/15/2016	Called		450,408	400,000	432,000	426,395		(2,811)		(2,811)		423,584		26,824	26,824	10,053	06/23/2021	1FE
771196-AS-1	Roche Holdings Inc 144A		08/25/2016	CALLED @ 111.5740000		93,722	84,000	96,889	89,680		(1,114)		(1,114)		88,566		5,156	5,156	5,224	03/01/2019	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						944,130	884,000	928,889	916,075	0	(3,925)	0	(3,925)	0	912,150	0	31,980	31,980	29,878	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						4,207,313	3,960,263	4,047,907	4,185,522	(161,345)	(16,754)	0	(178,099)	0	4,007,423	0	199,891	199,891	140,132	XXX	XXX
8399999 - Subtotals - Bonds						4,207,313	3,960,263	4,047,907	4,185,522	(161,345)	(16,754)	0	(178,099)	0	4,007,423	0	199,891	199,891	140,132	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
49456B-20-0	Kinder Morgan Inc Depositary Shs		07/27/2016	Harvest Investment Manager		867,000	42,536	50.00	39,815		.197		.197		40,012		2,523	2,523	.953	XXX	
8499999 - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)						42,536	XXX		39,815	0		0	197	0	40,012	0	2,523	2,523	953	XXX	XXX
8999997 - Total - Preferred Stocks - Part 4						42,536	XXX		39,815	0	0	0	197	0	40,012	0	2,523	2,523	953	XXX	XXX
8999999 - Subtotals - Preferred Stocks						42,536	XXX		39,815	0	0	0	197	0	40,012	0	2,523	2,523	953	XXX	XXX

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE WESTERN RESERVE MUTUAL CASUALTY 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		07/27/2016	Harvest Investment Manager	1,687,000	43,566	XXX	37,972	29,073	(495)			(495)		37,972		5,594	5,594	653	XXX	L
03674X-10-6...	Antero Res Corp Com		07/27/2016	Harvest Investment Manager	1,473,000	37,870	XXX	41,603		0			0		41,603		(3,733)	(3,733)		XXX	L
03957W-10-6...	Archrock Inc		07/27/2016	Harvest Investment Manager	587,000	5,195	XXX	4,752		0			0		4,752		442	442	30	XXX	L
03957U-10-0...	Archrock Partners LP Boardwalk Pipeline		07/27/2016	Harvest Investment Manager	2,168,000	28,454	XXX	26,561	26,553	(131)			(131)		26,561		1,893	1,893	1,850	XXX	L
096627-10-4...	Partners LP		07/27/2016	Harvest Investment Manager	4,311,000	71,992	XXX	58,753	38,512	(680)			(680)		58,753		13,239	13,239	680	XXX	L
118230-10-1...	Buckey Partners LP MLP		07/27/2016	Harvest Investment Manager	3,676,000	266,798	XXX	239,995	212,391	(2,961)			(2,961)		239,995		26,803	26,803	8,216	XXX	L
16411R-20-8...	Cheniere Energy Inc Com		07/27/2016	Harvest Investment Manager	981,000	40,191	XXX	34,963		0			0		34,963		5,227	5,227		XXX	L
16411W-10-8...	Higs LLC		07/27/2016	Harvest Investment Manager	117,000	2,337	XXX	2,010		0			0		2,010		327	327	2	XXX	L
164110-10-1...	Cheniere Energy Partners LP		07/27/2016	Harvest Investment Manager	1,160,000	31,708	XXX	29,454	15,355	(199)			(199)		29,454		2,253	2,253	747	XXX	L
198281-10-7...	Columbia Pipeline Partners MLP LP		07/27/2016	Harvest Investment Manager	1,498,000	22,462	XXX	25,372	21,955	(383)			(383)		25,372		(2,910)	(2,910)	496	XXX	L
22758A-10-5...	CrossAmerica Partners LP Unit Ltd		07/27/2016	Harvest Investment Manager	1,575,000	36,894	XXX	40,153	38,880	(482)			(482)		40,153		(3,259)	(3,259)	1,789	XXX	L
23311P-10-0...	DCP Midstream Partners LP		07/27/2016	Harvest Investment Manager	1,746,000	57,381	XXX	42,530	41,076	(782)			(782)		42,530		14,852	14,852	2,657	XXX	L
257454-10-8...	Dominion Midstream Partners MLP		07/27/2016	Harvest Investment Manager	345,000	8,987	XXX	10,466	10,516	(104)			(104)		10,466		(1,479)	(1,479)	150	XXX	L
292480-10-0...	Enable Midstream Partners LP MLP		07/11/2016	Harvest Investment Manager	425,000	5,928	XXX	5,048		0			0		5,048		880	880	56	XXX	L
29250R-10-6...	Enbridge Energy Partners LP MLP		07/27/2016	Harvest Investment Manager	5,250,000	121,272	XXX	110,863	67,157	(1,538)			(1,538)		110,863		10,410	10,410	4,206	XXX	L
29273V-10-0...	Energy Transfer Equity LP MLP		07/27/2016	Harvest Investment Manager	13,577,000	224,892	XXX	181,315	136,424	(261)			(261)		181,315		43,577	43,577	6,474	XXX	L
29273R-10-9...	Energy Transfer Partners LP MLP		07/27/2016	Harvest Investment Manager	11,617,050	459,714	XXX	393,035	317,637	(6,083)			(6,083)		393,035		66,679	66,679	20,332	XXX	L
29336U-10-7...	Enlink Midstream Partners LP MLP		07/27/2016	Harvest Investment Manager	3,465,000	60,463	XXX	55,848	52,376	(1,518)			(1,518)		55,848		4,615	4,615	2,464	XXX	L
293792-10-7...	Enterprise Prods Partners LP MLP		07/27/2016	Harvest Investment Manager	20,251,000	573,901	XXX	512,923	509,502	(5,933)			(5,933)		512,923		60,977	60,977	23,736	XXX	L
26885B-10-0...	EQT Midstream Partners LP		07/27/2016	Harvest Investment Manager	1,533,000	117,165	XXX	112,546	112,546	(3,174)			(3,174)		4,619		2,165	4,619	2,165	XXX	L
337915-10-2...	FirstMerit		08/16/2016	VARIOUS	18,346,000	123,683	XXX	31,953	342,153	(310,200)			(310,200)		31,953		91,730	91,730	6,238	XXX	L
371927-10-4...	Genesis Energy LP MLP		07/27/2016	Harvest Investment Manager	1,046,000	38,325	XXX	35,893		0			0				2,433	2,433	632	XXX	L
435763-10-7...	Holly Energy Partners LP		07/27/2016	Harvest Investment Manager	678,000	23,838	XXX	20,834	20,957	(301)			(301)		20,834		3,004	3,004	767	XXX	L
446150-10-4...	Huntington Bancshares Inc		08/24/2016	CASH IN LIEU - FRAC'L SHR	0.120	1	XXX			0			0				1	1		XXX	L
49456B-10-1...	Kinder Morgan Inc Del Comm		07/27/2016	Harvest Investment Manager	2,837,000	57,448	XXX	47,765	18,993	0			0		47,765		9,683	9,683	307	XXX	L
55608B-10-5...	Macquarie Infrastructure Co LLC		07/27/2016	Harvest Investment Manager	1,337,000	101,235	XXX	94,116	96,413	(2,987)			(2,987)		94,116		7,120	7,120	3,121	XXX	L
559080-10-6...	Magellan Midstream Partners LP MLP		07/27/2016	Harvest Investment Manager	2,948,000	212,041	XXX	198,223	200,228	(2,005)			(2,005)		198,223		13,818	13,818	4,701	XXX	L
55336V-10-0...	MPLX LP Com MLP		07/27/2016	Harvest Investment Manager	7,452,000	247,923	XXX	279,041	266,854	(5,969)			(5,969)		279,041		(31,118)	(31,118)	7,143	XXX	L
62913M-10-7...	NGL Energy Partners LP		07/27/2016	Harvest Investment Manager	2,691,000	50,146	XXX	31,870	22,742	(11)			(11)		31,870		18,276	18,276	2,357	XXX	L
67058H-10-2...	Nustar Energy LP MLP		07/27/2016	Harvest Investment Manager	2,113,000	102,890	XXX	87,279	62,075	(876)			(876)		87,279		15,611	15,611	3,830	XXX	L
68268M-10-3...	Oneok Partners LP MLP		07/27/2016	Harvest Investment Manager	1,936,000	77,922	XXX	57,768	49,353	(1,036)			(1,036)		57,768		20,154	20,154	2,789	XXX	L
693180-10-4...	PBF Logistics LP MLP		07/27/2016	Harvest Investment Manager	659,000	14,599	XXX	13,503	14,076	(573)			(573)		13,503		1,096	1,096	547	XXX	L
718546-10-4...	Phillips 66 Com Stk		07/27/2016	Harvest Investment Manager	478,000	36,038	XXX	40,898		0			0		40,898		(4,860)	(4,860)	299	XXX	L
726503-10-5...	Plains All American Pipeline LP		07/27/2016	Harvest Investment Manager	7,866,000	212,837	XXX	180,048	181,705	(1,656)			(1,656)		180,048		32,788	32,788	16,465	XXX	L
72651A-10-8...	Plains GP Hldgs LP CL A MLP		07/27/2016	Harvest Investment Manager	4,693,000	48,924	XXX	44,063	23,171	(292)			(292)		44,063		4,861	4,861	2,271	XXX	L
762760-10-6...	Rice Energy Inc		07/27/2016	Harvest Investment Manager	2,518,000	53,579	XXX	43,451		0			0		43,451		10,128	10,128		XXX	L
762819-10-0...	Rice Midstream Partners LP MLP		07/27/2016	Harvest Investment Manager	4,280,000	81,532	XXX	58,683	51,491	(1,424)			(1,424)		58,683		22,849	22,849	1,552	XXX	L
81663A-10-5...	Semgroup Corp CL A		07/27/2016	Harvest Investment Manager	1,187,000	34,808	XXX	23,723		0			0		23,723		11,085	11,085	500	XXX	L
822634-10-1...	Shell Midstream PA MLP		07/27/2016	Harvest Investment Manager	3,140,000	101,514	XXX	111,631	129,459	(18,553)			(18,553)		111,631		(10,117)	(10,117)	1,419	XXX	L
82481R-10-6...	Shire plc		07/13/2016	CASH IN LIEU - FRAC'L SHR	0.800	135	XXX	36		0			0		36		99	99		XXX	L
849343-10-8...	Sprague Resources LP MLP		07/27/2016	Harvest Investment Manager	202,000	4,962	XXX	4,758		0			0		4,758		204	204		XXX	L
866142-10-2...	Summit Midstream Partners LP		07/27/2016	Harvest Investment Manager	1,259,000	28,006	XXX	22,949	23,263	(672)			(672)		22,949		5,057	5,057	1,428	XXX	L
86764L-10-8...	Sunoco Logistics Partners LP MLP		07/27/2016	Harvest Investment Manager	1,960,000	56,212	XXX	51,637	32,254	(264)			(264)		51,637		4,575	4,575	1,215	XXX	L
874697-10-5...	Tallgrass Energy partners LP MLP		07/27/2016	Harvest Investment Manager	1,028,000	46,480	XXX	41,693	42,117	(700)			(700)		41,693		4,787	4,787	2,151	XXX	L

E05.2

E05.2

E05.2

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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2016
NAIC Group Code 0207 NAIC Company Code 26131

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:

\$3,678

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