



ANNUAL STATEMENT  
For the Year Ended December 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE  
SONNENBERG MUTUAL INSURANCE COMPANY

NAIC Group Code	0207	0207	NAIC Company Code	10271	Employer's ID Number	34-0541185
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States					
Incorporated/Organized	01/01/1905			Commenced Business		01/01/1859
Statutory Home Office	1685 Cleveland Road			Wooster, OH, US 44691		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	1685 Cleveland Road			Wooster, OH, US 44691-0036		330-262-9060
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Mail Address	1685 Cleveland Road			Wooster, OH, US 44691-0036		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	1685 Cleveland Road			Wooster, OH, US 44691-0036		330-262-9060
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Christopher M. Racz, CPA			330-262-9060-2446		
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	Christopher_Racz@wrg-ins.com			330-264-7822		
	(E-Mail Address)			(Fax Number)		

OFFICERS

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

OTHER OFFICERS

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

DIRECTORS OR TRUSTEES

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

State of .....Ohio.....  
County of .....Wayne.....

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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? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [ X ] No [ ]     
Subscribed and sworn to before me this 24 day of February, 2017			

Lauresa Durham, Notary Public  
July 30, 2021

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	14,548,233	0	14,548,233	14,373,089
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	7,736,920	3,861	7,733,059	7,316,367
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....	0	0	0	0
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 (\$ .....1,659,654 , Schedule E-Part 1), cash equivalents (\$ .....0 , Schedule E-Part 2) and short-term investments (\$ .....856,483 , Schedule DA).....	2,516,137	0	2,516,137	1,704,068
6. Contract loans (including \$ ..... premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA) .....	611,766	0	611,766	0
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	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) .....	25,413,056	3,861	25,409,195	23,393,524
13. Title plants less \$ ..... charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued .....	136,457	0	136,457	128,135
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	306,547	19,975	286,572	294,669
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 .....	34,365	0	34,365	1,328
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 .....	76,985	0	76,985	88,599
18.2 Net deferred tax asset.....	0	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ ..... ) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	4,069	4,069	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	25,971,481	27,906	25,943,575	23,906,254
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	25,971,481	27,906	25,943,575	23,906,254
DETAILS OF WRITE-INS				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid Asset.....	4,069	4,069	0	0
2502. ....			0	0
2503. ....			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) .....	4,069	4,069	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	3,620,726	3,197,254
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	752,384	672,997
4. Commissions payable, contingent commissions and other similar charges .....	347,749	344,346
5. Other expenses (excluding taxes, licenses and fees) .....	475,046	466,997
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	126,189	118,160
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	0	0
7.2 Net deferred tax liability .....	311,419	67,842
8. Borrowed money \$ ..... and interest thereon \$ .....	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....5,150 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) .....	4,798,757	4,605,462
10. Advance premium .....	61,132	81,736
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	31,336	35,413
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....	0	0
14. Amounts withheld or retained by company for account of others .....	114,050	209,612
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 8) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	0	0
20. Derivatives .....	0	0
21. Payable for securities .....	0	0
22. Payable for securities lending .....	0	0
23. Liability for amounts held under uninsured plans .....	0	0
24. Capital notes \$ ..... and interest thereon \$ .....	0	0
25. Aggregate write-ins for liabilities .....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	10,638,788	9,799,820
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	10,638,788	9,799,820
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) .....	15,304,787	14,106,434
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) (Page 4, Line 39) .....	15,304,787	14,106,434
38. Totals (Page 2, Line 28, Col. 3)	25,943,575	23,906,254
DETAILS OF WRITE-INS		
2501. ....		0
2502. ....		0
2503. ....	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901. ....		0
2902. ....		0
2903. ....		0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. ....	0	0
3202. ....	0	0
3203. ....	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4) .....	10,035,295	9,695,346
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	5,472,902	5,033,451
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	1,055,289	1,020,135
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	3,310,174	3,162,385
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	9,838,366	9,215,972
7. Net income of protected cells .....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	196,929	479,375
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	548,702	529,669
10. Net realized capital gains (losses) less capital gains tax of \$ .....91,704 (Exhibit of Capital Gains (Losses)).....	178,045	22,143
11. Net investment gain (loss) (Lines 9 + 10) .....	726,747	551,812
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ .....8,230 ) .....	(8,230)	(11,027)
13. Finance and service charges not included in premiums.....	145,224	147,317
14. Aggregate write-ins for miscellaneous income .....	19	180
15. Total other income (Lines 12 through 14) .....	137,013	136,470
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	1,060,689	1,167,656
17. Dividends to policyholders .....	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) .....	1,060,689	1,167,656
19. Federal and foreign income taxes incurred .....	139,893	283,947
20. Net income (Line 18 minus Line 19) (to Line 22) .....	920,796	883,709
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	14,106,434	13,540,932
22. Net income (from Line 20) .....	920,796	883,709
23. Net transfers (to) from Protected Cell accounts .....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....177,815 .....	345,173	(327,980)
25. Change in net unrealized foreign exchange capital gain (loss) .....	0	0
26. Change in net deferred income tax .....	(65,762)	21,127
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	(1,855)	(11,354)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	0	0
29. Change in surplus notes .....	0	0
30. Surplus (contributed to) withdrawn from protected cells .....	0	0
31. Cumulative effect of changes in accounting principles .....	0	0
32. Capital changes:		
32.1 Paid in .....	0	0
32.2 Transferred from surplus (Stock Dividend) .....	0	0
32.3 Transferred to surplus .....	0	0
33. Surplus adjustments:		
33.1 Paid in .....	0	0
33.2 Transferred to capital (Stock Dividend) .....	0	0
33.3 Transferred from capital .....	0	0
34. Net remittances from or (to) Home Office .....	0	0
35. Dividends to stockholders .....	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....	0	0
37. Aggregate write-ins for gains and losses in surplus .....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	1,198,352	565,502
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	15,304,787	14,106,434
DETAILS OF WRITE-INS		
0501. ....	0	0
0502. ....		0
0503. ....		0
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0
1401. Other Income.....	19	180
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	19	180
3701. ....		
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	10,203,908	9,797,251
2. Net investment income .....	636,171	599,288
3. Miscellaneous income .....	137,013	136,470
4. Total (Lines 1 through 3) .....	10,977,092	10,533,010
5. Benefit and loss related payments .....	5,082,468	4,783,289
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	4,266,564	4,080,113
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	219,984	395,000
10. Total (Lines 5 through 9) .....	9,569,016	9,258,402
11. Net cash from operations (Line 4 minus Line 10) .....	1,408,077	1,274,608
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	2,310,542	1,791,095
12.2 Stocks .....	988,665	1,988,582
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	461,517
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	3,299,207	4,241,194
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	2,560,888	2,360,625
13.2 Stocks .....	645,424	2,345,410
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	600,000	0
13.6 Miscellaneous applications .....	2	461,517
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	3,806,314	5,167,552
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(507,107)	(926,358)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	(88,900)	(92,846)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(88,900)	(92,846)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	812,069	255,404
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	1,704,068	1,448,664
19.2 End of year (Line 18 plus Line 19.1) .....	2,516,137	1,704,068

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	160,981	85,163	83,468	162,676
2.	Allied lines .....	73,100	46,306	45,369	74,037
3.	Farmowners multiple peril .....	1,039,337	543,144	543,226	1,039,255
4.	Homeowners multiple peril .....	2,571,580	1,433,640	1,424,613	2,580,607
5.	Commercial multiple peril .....	1,251,049	599,644	633,833	1,216,860
6.	Mortgage guaranty .....	0	0	0	0
8.	Ocean marine .....	0	0	0	0
9.	Inland marine .....	114,147	52,753	58,091	108,809
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 .....	2,245	926	999	2,172
13.	Group accident and health .....	0	0	0	0
14.	Credit accident and health (group and individual) .....	0	0	0	0
15.	Other accident and health .....	0	0	0	0
16.	Workers' compensation .....	64,176	32,362	35,055	61,483
17.1	Other liability-occurrence .....	67,047	24,979	36,372	55,654
17.2	Other liability-claims-made .....	(97)	143	79	(33)
17.3	Excess workers' compensation.....	0	0	0	0
18.1	Products liability-occurrence .....	6,607	4,257	3,488	7,376
18.2	Products liability-claims-made .....	0	0	0	0
19.1,19.2	Private passenger auto liability .....	2,319,089	820,129	883,926	2,255,292
19.3,19.4	Commercial auto liability .....	460,778	208,135	226,057	442,856
21.	Auto physical damage .....	2,083,356	747,037	816,854	2,013,539
22.	Aircraft (all perils) .....	0	0	0	0
23.	Fidelity .....	0	0	0	0
24.	Surety .....	0	0	0	0
26.	Burglary and theft .....	4,100	2,027	2,041	4,086
27.	Boiler and machinery .....	11,095	4,817	5,286	10,626
28.	Credit .....	0	0	0	0
29.	International .....	0	0	0	0
30.	Warranty .....	0	0	0	0
31.	Reinsurance-nonproportional assumed property .....	0	0	0	0
32.	Reinsurance-nonproportional assumed liability .....	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines .....	0	0	0	0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0
35.	TOTALS	10,228,590	4,605,462	4,798,757	10,035,295
DETAILS OF WRITE-INS					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3  Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....	83,468				83,468
2.	Allied lines .....	45,369				45,369
3.	Farmowners multiple peril .....	543,226				543,226
4.	Homeowners multiple peril .....	1,424,613				1,424,613
5.	Commercial multiple peril .....	633,833				633,833
6.	Mortgage guaranty .....	0				0
8.	Ocean marine .....	0				0
9.	Inland marine .....	58,091				58,091
10.	Financial guaranty .....	0				0
11.1	Medical professional liability-occurrence .....	0				0
11.2	Medical professional liability-claims-made .....	0				0
12.	Earthquake .....	999				999
13.	Group accident and health .....	0				0
14.	Credit accident and health (group and individual) ...	0				0
15.	Other accident and health .....	0				0
16.	Workers' compensation .....	35,055				35,055
17.1	Other liability-occurrence .....	36,372				36,372
17.2	Other liability-claims-made .....	79				79
17.3	Excess workers' compensation .....					0
18.1	Products liability-occurrence .....	3,488				3,488
18.2	Products liability-claims-made .....	0				0
19.1,19.2	Private passenger auto liability .....	883,926				883,926
19.3,19.4	Commercial auto liability .....	226,057				226,057
21.	Auto physical damage .....	816,854				816,854
22.	Aircraft (all perils) .....	0				0
23.	Fidelity .....	0				0
24.	Surety .....	0				0
26.	Burglary and theft .....	2,041				2,041
27.	Boiler and machinery .....	5,286				5,286
28.	Credit .....	0				0
29.	International .....	0				0
30.	Warranty .....	0				0
31.	Reinsurance-nonproportional assumed property ....	0				0
32.	Reinsurance-nonproportional assumed liability .....	0				0
33.	Reinsurance-nonproportional assumed financial lines .....	0				0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0
35.	TOTALS	4,798,757	0	0	0	4,798,757
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Lines 35 through 37)					4,798,757
DETAILS OF WRITE-INS						
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire .....	25,822	160,981		25,670	152	160,981
2.	Allied lines .....	12,189	73,100		9,878	2,311	73,100
3.	Farmowners multiple peril .....	295,966	1,039,337		282,061	13,905	1,039,337
4.	Homeowners multiple peril .....	1,411,523	2,571,580		1,242,641	168,882	2,571,580
5.	Commercial multiple peril .....		1,251,049		0		1,251,049
6.	Mortgage guaranty .....						0
8.	Ocean marine .....						0
9.	Inland marine .....		114,147		0		114,147
10.	Financial guaranty .....		0				0
11.1	Medical professional liability-occurrence .....						0
11.2	Medical professional liability-claims-made .....						0
12.	Earthquake .....		2,245		0		2,245
13.	Group accident and health .....						0
14.	Credit accident and health (group and individual) .....						0
15.	Other accident and health .....						0
16.	Workers' compensation .....		64,176		0		64,176
17.1	Other liability-occurrence .....	1,001	67,045		997	2	67,047
17.2	Other liability-claims-made .....		(97)				(97)
17.3	Excess workers' compensation .....						0
18.1	Products liability-occurrence .....		6,607		0		6,607
18.2	Products liability-claims-made .....						0
19.1,19.2	Private passenger auto liability .....	13,862,121	2,319,090		13,860,675	1,447	2,319,089
19.3,19.4	Commercial auto liability .....	0	460,778		0		460,778
21.	Auto physical damage .....	11,049,820	2,083,357		10,927,181	122,640	2,083,356
22.	Aircraft (all perils) .....						0
23.	Fidelity .....						0
24.	Surety .....						0
26.	Burglary and theft .....		4,100		0		4,100
27.	Boiler and machinery .....	4,609	11,095		0	4,609	11,095
28.	Credit .....						0
29.	International .....						0
30.	Warranty .....						0
31.	Reinsurance-nonproportional assumed property .....	XXX					0
32.	Reinsurance-nonproportional assumed liability .....	XXX					0
33.	Reinsurance-nonproportional assumed financial lines .....	XXX					0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
35.	TOTALS	26,663,051	10,228,590	0	26,349,103	313,948	10,228,590
DETAILS OF WRITE-INS							
3401.	.....						
3402.	.....						
3403.	.....						
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 above)	0	0	0	0	0	0

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

If yes: 1. The amount of such installment premiums \$ .....

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



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire .....		35,100		35,100	26,907	5,267	56,740	34.9
2.	Allied lines .....		69,663		69,663	5,652	15,613	59,702	80.6
3.	Farmowners multiple peril .....	81,070	342,794	81,070	342,794	153,858	128,026	368,626	35.5
4.	Homeowners multiple peril .....	965,562	1,141,919	965,562	1,141,919	390,713	372,139	1,160,493	45.0
5.	Commercial multiple peril .....		484,611		484,611	737,781	685,774	536,618	44.1
6.	Mortgage guaranty .....				0	0	0	0	0.0
8.	Ocean marine .....				0	0	0	0	0.0
9.	Inland marine .....		28,316		28,316	7,030	335	35,011	32.2
10.	Financial guaranty .....				0	0	0	0	0.0
11.1	Medical professional liability-occurrence .....				0	0	0	0	0.0
11.2	Medical professional liability-claims-made .....				0	0	0	0	0.0
12.	Earthquake .....				0	0	0	0	0.0
13.	Group accident and health .....				0	0	0	0	0.0
14.	Credit accident and health (group and individual) .....				0	0	0	0	0.0
15.	Other accident and health .....				0	0	0	0	0.0
16.	Workers' compensation .....		30,872		30,872	32,814	26,935	36,751	59.8
17.1	Other liability-occurrence .....		14,928		14,928	55,263	56,968	13,223	23.8
17.2	Other liability-claims-made .....				0	0	0	0	0.0
17.3	Excess workers' compensation .....				0	0	0	0	0.0
18.1	Products liability-occurrence .....		650		650	375	1,500	(475)	(6.4)
18.2	Products liability-claims-made .....				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability .....	6,554,322	1,467,302	6,554,322	1,467,302	1,748,769	1,535,605	1,680,466	74.5
19.3,19.4	Commercial auto liability .....		148,681		148,681	295,146	238,421	205,406	46.4
21.	Auto physical damage .....	6,865,813	1,283,843	6,865,813	1,283,843	166,418	130,421	1,319,840	65.5
22.	Aircraft (all perils) .....				0	0	0	0	0.0
23.	Fidelity .....				0	0	0	0	0.0
24.	Surety .....				0	0	0	0	0.0
26.	Burglary and theft .....		751		751	0	250	501	12.3
27.	Boiler and machinery .....				0	0	0	0	0.0
28.	Credit .....				0	0	0	0	0.0
29.	International .....				0	0	0	0	0.0
30.	Warranty .....				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property .....	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability .....	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines .....	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0.0
35.	TOTALS .....	14,466,767	5,049,430	14,466,767	5,049,430	3,620,726	3,197,254	5,472,902	54.5
DETAILS OF WRITE-INS									
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire .....		26,907		26,907				26,907	
2.	Allied lines .....		2,419		2,419		3,233		5,652	8,570
3.	Farmowners multiple peril .....		111,402		111,402	22,171	42,456	22,171	153,858	32,147
4.	Homeowners multiple peril .....	159,812	329,889	159,812	329,889	99,425	60,824	99,425	390,713	78,815
5.	Commercial multiple peril .....		477,326		477,326		260,455		737,781	245,901
6.	Mortgage guaranty .....				0				0	
8.	Ocean marine .....				0				0	
9.	Inland marine .....		7,030		7,030				7,030	
10.	Financial guaranty .....				0				0	
11.1	Medical professional liability-occurrence .....				0				0	
11.2	Medical professional liability-claims-made .....				0				0	
12.	Earthquake .....				0				0	
13.	Group accident and health .....				0			(a)	0	
14.	Credit accident and health (group and individual) .....				0				0	
15.	Other accident and health .....				0			(a)	0	
16.	Workers' compensation .....		7,681		7,681		25,133		32,814	7,240
17.1	Other liability-occurrence .....		32,474		32,474		22,789		55,263	32,163
17.2	Other liability-claims-made .....				0				0	
17.3	Excess workers' compensation .....				0				0	
18.1	Products liability-occurrence .....		375		375				375	
18.2	Products liability-claims-made .....				0				0	
19.1,19.2	Private passenger auto liability .....	5,977,841	1,663,169	5,977,841	1,663,169	12,527	85,600	12,527	1,748,769	256,286
19.3,19.4	Commercial auto liability .....		236,638		236,638		58,508		295,146	44,270
21.	Auto physical damage .....	691,716	124,819	691,716	124,819	7,930	41,599	7,930	166,418	46,992
22.	Aircraft (all perils) .....				0				0	
23.	Fidelity .....				0				0	
24.	Surety .....				0				0	
26.	Burglary and theft .....				0				0	
27.	Boiler and machinery .....				0				0	
28.	Credit .....				0				0	
29.	International .....				0				0	
30.	Warranty .....				0				0	
31.	Reinsurance-nonproportional assumed property .....	XXX			0	XXX			0	
32.	Reinsurance-nonproportional assumed liability .....	XXX			0	XXX			0	
33.	Reinsurance-nonproportional assumed financial lines .....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0	0
35.	TOTALS .....	6,829,369	3,020,129	6,829,369	3,020,129	142,053	600,597	142,053	3,620,726	752,384
DETAILS OF WRITE-INS										
3401.	.....									
3402.	.....									
3403.	.....									
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct .....	326,783	0	0	326,783
1.2 Reinsurance assumed .....	0	0	0	0
1.3 Reinsurance ceded .....	23,321	0	0	23,321
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	303,462	0	0	303,462
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....	0	1,621,454	0	1,621,454
2.2 Reinsurance assumed, excluding contingent .....	0	0	0	0
2.3 Reinsurance ceded, excluding contingent .....	0	77,442	0	77,442
2.4 Contingent-direct .....	0	207,794	0	207,794
2.5 Contingent-reinsurance assumed .....	0	0	0	0
2.6 Contingent-reinsurance ceded .....	0	2,689	0	2,689
2.7 Policy and membership fees .....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	1,749,117	0	1,749,117
3. Allowances to manager and agents .....	8,580	20,020	0	28,600
4. Advertising .....	1,680	10,392	0	12,072
5. Boards, bureaus and associations .....	6,925	37,300	0	44,225
6. Surveys and underwriting reports .....	0	134,509	0	134,509
7. Audit of assureds' records .....	0	0	0	0
8. Salary and related items:				
8.1 Salaries .....	455,420	636,691	57,793	1,149,903
8.2 Payroll taxes .....	29,887	41,892	3,259	75,038
9. Employee relations and welfare .....	60,177	95,682	4,143	160,002
10. Insurance .....	1,440	2,346	7,004	10,789
11. Directors' fees .....	5,300	5,300	5,300	15,900
12. Travel and travel items .....	11,108	16,804	2,128	30,040
13. Rent and rent items .....	17,580	27,128	1,193	45,902
14. Equipment .....	439	13,120	2,139	15,698
15. Cost or depreciation of EDP equipment and software .....	77,550	179,114	10,108	266,772
16. Printing and stationery .....	2,638	7,351	58	10,047
17. Postage, telephone and telegraph, exchange and express .....	20,212	37,810	206	58,228
18. Legal and auditing .....	52,110	114,029	42,163	208,301
19. Totals (Lines 3 to 18) .....	751,047	1,379,486	135,493	2,266,026
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....	0	121,906	0	121,906
20.2 Insurance department licenses and fees .....	0	55,762	0	55,762
20.3 Gross guaranty association assessments .....	0	0	0	0
20.4 All other (excluding federal and foreign income and real estate) .....	0	2,631	0	2,631
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	180,300	0	180,300
21. Real estate expenses .....	0	0	0	0
22. Real estate taxes .....	0	0	0	0
23. Reimbursements by uninsured plans .....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses .....	781	1,271	436	2,488
25. Total expenses incurred .....	1,055,289	3,310,174	135,929	(a) 4,501,393
26. Less unpaid expenses-current year .....	752,384	948,984	0	1,701,368
27. Add unpaid expenses-prior year .....	672,997	929,503	0	1,602,500
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	975,902	3,290,693	135,929	4,402,525
DETAILS OF WRITE-INS				
2401. Charitable Contributions.....	781	1,271	436	2,488
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	781	1,271	436	2,488

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a).....19,435	.....18,180
1.1	Bonds exempt from U.S. tax .....	(a).....197,579	.....201,282
1.2	Other bonds (unaffiliated) .....	(a).....212,382	.....206,430
1.3	Bonds of affiliates .....	(a).....0	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....122	.....122
2.11	Preferred stocks of affiliates .....	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....239,720	.....241,506
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e).....878	.....878
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....5,919	.....15,959
9.	Aggregate write-ins for investment income .....	.....274	.....274
10.	Total gross investment income .....	676,309	684,631
11.	Investment expenses .....		(g).....135,929
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g).....
13.	Interest expense .....		(h).....
14.	Depreciation on real estate and other invested assets .....		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....135,929
17.	Net investment income (Line 10 minus Line 16) .....		548,702
DETAILS OF WRITE-INS			
0901.	Diamond Hill Funds Small Cap.....	.....70	.....70
0902.	Eaton Vance Floating Rate Fund.....	.....142	.....142
0903.	Oakmark Int'l Fund.....	.....67	.....67
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....(5)	.....(5)
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	274	274
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) .....		0

(a) Includes \$ .....4,836 accrual of discount less \$ .....100,649 amortization of premium and less \$ .....2,501 paid for accrued interest on purchases.  
(b) Includes \$ .....22 accrual of discount less \$ ..... amortization of premium and less \$ .....0 paid for accrued dividends on purchases.  
(c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
(e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
(g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	34,113		34,113	(21,852)	
1.1	Bonds exempt from U.S. tax .....	(7,747)		(7,747)		
1.2	Other bonds (unaffiliated) .....	16,096		16,096		
1.3	Bonds of affiliates .....	0	0	0	0	0
2.1	Preferred stocks (unaffiliated) .....	223	0	223	0	0
2.11	Preferred stocks of affiliates .....	0	0	0	0	0
2.2	Common stocks (unaffiliated) .....	227,064	0	227,064	532,656	0
2.21	Common stocks of affiliates .....	0	0	0	419	0
3.	Mortgage loans .....	0	0	0	0	0
4.	Real estate .....	0	0	0		0
5.	Contract loans .....			0		
6.	Cash, cash equivalents and short-term investments .....			0	0	0
7.	Derivative instruments .....			0		
8.	Other invested assets .....	0	0	0	11,766	0
9.	Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10.	Total capital gains (losses) .....	269,749	0	269,749	522,989	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	3,861	3,442	(419)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	3,861	3,442	(419)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	19,975	11,879	(8,097)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets .....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	4,069	10,730	6,661
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	27,905	26,051	(1,855)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	27,905	26,051	(1,855)
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expense.....	4,069	10,730	6,661
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,069	10,730	6,661

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

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

The financial statements of the Company are presented solely on the basis of accounting principles prescribed by the Ohio Department of Insurance. As such, there are no increases or decreases to net income or surplus on a statutory accounting basis as shown by the reconciliation below:

	State of Domicile	2016	2015
<u>NET INCOME</u>			
(1) SMIC state basis (Page 4, Line 20, Columns 1 & 3)	Ohio	\$ 920,796	\$ 883,709
(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>\$ 920,796</u>	<u>\$ 883,709</u>
<u>SURPLUS</u>			
(5) SMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 15,304,787	\$ 14,106,434
(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>\$ 15,304,787</u>	<u>\$ 14,106,434</u>

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

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

C. Accounting Policy

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

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method; U.S. Treasury Inflation-Indexed bonds are stated at amortized cost adjusted for unrealized inflation factor gains. Bonds rated at 3 or below by the NAIC are stated at the lower of cost or fair market value.
- (3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis. In 2015, the Company recognized \$.5 million of impairment realized losses all on common stocks. Fair values were determined from year-end market valuation.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) The Company has no mortgage loans.
- (6) The Company has no loan-backed securities.
- (7) The Company carries investments in subsidiaries, Sonnenberg Agencies, Inc. and Western Reserve Financial Corporation, at statutory equity as reported on Schedule D; these assets are reported as nonadmitted on page 2, column 2.

## NOTES TO FINANCIAL STATEMENTS

- (8) Other invested assets consist primarily of investments in limited liability companies. Underlying investments primarily include hedge funds, private equity funds and emerging market and private debt funds. Interests are reported using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Realized gains and losses are generally recognized through income at the time of disposal or when operating distributions are received.
- (9) The Company has no derivatives.
- (10) The Company does not utilize anticipated investment income in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period
- (13) The Company has no pharmaceutical rebate receivables.

D. Going Concern

Not applicable.

### 2. Accounting Changes and Corrections of Errors

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual are reported as changes in accounting principles. The cumulative effect of the changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all periods.

The Company has not made any accounting changes or error corrections for the periods ended December 31, 2016 and 2015, respectively.

### 3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

### 4. Discontinued Operations

Not applicable.

### 5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

- 1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.
- 2. None.
- 3. None.

NOTES TO FINANCIAL STATEMENTS

4.

All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.

The aggregate amount of unrealized losses:

1.

Less than 12 months

\$ ( — )

2.

12 months or Longer

\$ ( 319 )

b.

The aggregate related fair value of securities with unrealized losses:

1.

Less than 12 months

\$ ( — )

2.

12 months or longer

\$ ( 30,529 )
5.
- The Company reviews all loan-backed and structured securities in which the fair value of a given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.
- If the severity and duration of the security’s unrealized loss indicates a risk of other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.
- 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

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Refinanced Security (YES/NO)
912810-FR-4	\$223,629	\$294,492	\$255,564	NO
912828-GD-6	200,459	239,762	239,720	NO
912828-S5-0	200,791	195,036	201,547	NO
912828-UH-1	95,932	103,951	101,640	NO
Total:	\$720,811	\$833,241	\$798,471	

6. Joint Ventures, Partnerships and Limited Liability Companies

- A.
- The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.
- B.
- The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships, or Limited Liability Companies during the statement periods.



NOTES TO FINANCIAL STATEMENTS

7. Investment Income

The Company has no uncollectible accrued investment income.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

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

1.

12/31/2016			
	(1)	(2)	(3)
			(Col 1+2)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 564,896	\$ 126,407	\$ 691,303
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	564,896	126,407	691,303
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	564,896	126,407	691,303
(f) Deferred Tax Liabilities	(56,800)	(945,923)	(1,002,723)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 508,096</u>	<u>\$ (819,515)</u>	<u>\$ (311,419)</u>

12/31/2015			
	(4)	(5)	(6)
			(Col 4+5)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 575,194	\$ 190,753	\$ 765,947
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	575,194	190,753	765,947
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	575,194	190,753	765,947
(f) Deferred Tax Liabilities	(65,683)	(768,106)	(833,789)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 509,511</u>	<u>\$ (577,353)</u>	<u>\$ (67,842)</u>

Change			
	(7)	(8)	(9)
	(Col 1—4)	(Col 2—5)	(Co 7+8)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ (10,298)	\$ (64,346)	\$ (74,644)
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(10,298)	(64,346)	(74,644)
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	(10,598)	(64,346)	(74,644)
(f) Deferred Tax Liabilities	8,883	(177,817)	(168,934)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ (1,415)</u>	<u>\$ (242,162)</u>	<u>\$ (243,577)</u>

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101

12/31/2016			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
\$ 369,060	\$ —	\$ 369,060	
(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)			
28,880	—	28,880	
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			
28,880	—	28,880	
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			
XXX	XXX	2,295,718	
(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.			
166,956	126,407	293,363	
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))			
\$ 564,896	\$ 126,407	\$ 691,303	
12/31/2015			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
\$ 374,963	\$ —	\$ 374,963	
(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)			
87,066	—	87,066	
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			
87,066	—	87,066	
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			
XXX	XXX	2,115,965	
(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.			
113,165	190,753	303,918	
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))			
\$ 575,194	\$ 190,753	\$ 765,947	
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.			
\$ (5,903)	\$ —	\$ (5,903)	
(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)			
(58,186)	—	(58,186)	
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			
(58,186)	—	(58,186)	
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			
XXX	XXX	179,753	
(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.			
53,791	(64,346)	(10,555)	
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))			
\$ (10,298)	\$ (64,346)	\$ (74,644)	

NOTES TO FINANCIAL STATEMENTS

3.			
		<u>2016</u>	<u>2015</u>
(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.	\$ 15,304,787	\$ 14,106,434

4. Impact of Tax—Planning Strategies

		<u>12/31/2016</u>	
		(1)	(2)
		<u>Ordinary</u>	<u>Capital</u>
(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)	\$ 564,896	\$ 126,407
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)	\$ 564,896	\$ 126,407
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		<u>12/31/2015</u>	
		(3)	(4)
		<u>Ordinary</u>	<u>Capital</u>
(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)	\$ 575,194	\$ 190,753
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)	\$ 575,194	\$ 190,753
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		<u>Change</u>	
		(5)	(6)
		(Col 1-3)	(Col 2-4)
		<u>Ordinary</u>	<u>Capital</u>
(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)	\$ (10,298)	\$ (64,346)
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)	\$ (10,298)	\$ (64,346)
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)
	12/31/2016	12/31/2015	(Col 1—2) Change
1. Current Income Tax			
(a) Federal	\$ 139,893	\$ 283,947	\$ (144,054)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 139,893	\$ 283,947	\$ (144,054)
(d) Federal income tax on net capital gains	\$ 91,720	\$ 11,407	\$ 80,313
(e) Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f) Other (incl. prior year over/under accrual)	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 231,613</u>	<u>\$ 295,354</u>	<u>\$ (63,741)</u>
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 49,594	\$ 46,955	\$ 2,639
(2) Unearned premium reserve	\$ 326,316	\$ 313,172	\$ 13,144
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed assets and prepaid expense— nonadmitted	\$ 4,136	\$ 3,648	\$ 488
(8) Compensation and benefits accrual	\$ 34,220	\$ 39,644	\$ (5,424)
(9) Pension accrual	\$ 6,789	\$ 24,030	\$ (17,241)
(10) Receivables – nonadmitted	\$ 4,039	\$ 4,039	\$ —
(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	\$ 99,466	\$ 99,190	\$ 276
(15) Software capitalized	\$ 30,765	\$ 38,960	\$ (8,195)
(16) Other	\$ 9,571	\$ 5,556	\$ 4,015
(99) Subtotal	<u>\$ 564,896</u>	<u>\$ 575,194</u>	<u>\$ (10,298)</u>
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 564,896</u>	<u>\$ 575,194</u>	<u>\$ (10,298)</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	\$ 124,485	\$ 189,903	\$ (65,418)
(6) Other	<u>\$ 1,922</u>	<u>\$ 850</u>	<u>\$ 1,072</u>
(99) Subtotal	<u>\$ 126,407</u>	<u>\$ 190,753</u>	<u>\$ (64,346)</u>
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 126,407</u>	<u>\$ 190,753</u>	<u>\$ (64,346)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 691,303</u>	<u>\$ 765,947</u>	<u>\$ (74,644)</u>

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2016	12/31/2015	(Col 1—2) Change
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ (37,604)	\$ (43,129)	\$ 5,525
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities)	\$ (19,196)	\$ (22,554)	\$ 3,358
(99) Subtotal	\$ (56,800)	\$ (65,683)	\$ 8,883
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):	\$ —	\$ —	\$ —
(4) Unrealized capital gains	\$ (945,923)	\$ (768,106)	\$ (177,817)
(99) Subtotal	\$ (945,923)	\$ (768,106)	\$ (177,817)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ (1,002,723)	\$ (833,789)	\$ (168,934)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ (311,419)	\$ (67,842)	\$ (243,577)
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:			
	12/31/2016	Effective Tax Rate	
Provision computed at statutory rate	\$ 391,819	34.0%	
Tax exempt interest	(58,171)	(5.0%)	
Dividends received deduction	(33,720)	(2.9%)	
Change in deferred tax on nonadmitted assets	792	0.1%	
Other	(3,345)	(0.4%)	
Total	\$ 297,375	25.8%	
Federal and foreign income taxes incurred	\$ 139,893	12.1%	
Tax on capital gains (losses)	91,720	8.0%	
Change in net deferred income taxes	65,762	5.7%	
Total statutory income taxes	\$ 297,375	25.8%	
E. Carry—forwards, recoverable taxes, and IRC §6603 deposits:			
(1) As of December 31, 2016, the Company had no net operating loss and net capital loss carry—forwards available for tax purposes.			
As of December 31, 2016, the Company had no alternative minimum tax (AMT) credit carry—forwards.			
(2) As of December 31, 2016, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$493,098.			
(3) The Company has no deposits reported as admitted assets under IRC §6603 as of December 31, 2016.			
F. The Company files an individual federal income tax return.			
10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties			
A. Not applicable.			
B. Not applicable.			
C. Not applicable.			
D. At December 31, 2016, there was no intercompany receivable due from and/or due to 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. The Company (SMIC) participates in a pooling agreement with Western Reserve Mutual Casualty Company, (WRMCC) and Lightning Rod Mutual Insurance Company, (LRMIC) whereby net premiums, losses, underwriting expenses and related balance sheet amounts (except premiums receivable) are shared on a 5% / 40% / 55% basis, respectively. LRMIC assumes 100% of the business from WRMCC and SMIC and cedes 40% to WRMCC and 5% to SMIC.			

## NOTES TO FINANCIAL STATEMENTS

- G. The Company owns 100% of Sonnenberg Agencies (SA), an insurance agency. In 2013, Sonnenberg Agencies distributed dividends and returned capital equivalent to its net assets. The stock is carried at \$0 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. The Company owns 5% of Western Reserve Financial Corporation, an inactive holding company. The stock is carried at \$3,861 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 97, this subsidiary has been non—admitted.

### 11. Debt

Not applicable.

### 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 healthcare plan was closed to new participants. The directors' retirement plan was terminated July 1, 2015 and payout of vested benefit balances occurred 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 December 31, 2016 and 2015, amounts held for these deferrals were \$0.1 million and \$0.2 million, respectively.

#### B. Investment Policies and Strategies

Not applicable.

#### C. Fair Value of Plan Assets

Not applicable.

#### D. Basis of Rates of Returns on Assets

Not applicable.

#### E. Defined Contribution Plans

The Company's employees are eligible to participate in a 401(k) plan sponsored by the Company after completion of three months of continuous service.

The Company matches a portion of employee contributions and may make additional discretionary contributions. The Company's contribution for the plan was \$0.6 million for 2016 and 2015, respectively. The fair value of the plan assets was \$32.5 million and \$29.5 million at December 31, 2016 and 2015, respectively.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

### 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 \$2.8 million and \$2.3 million at December 31, 2016 and 2015, respectively.
- (11) Not applicable.
- (12) Not applicable.
- (13) Not applicable.

### 14. Liabilities, Contingencies and Assessments

#### A. Contingent Commitments

Not applicable.

#### B. Assessments

In the ordinary course of business, the Company receives notification of potential assessments as a result of the insolvency of insurance companies. It is expected that the insolvencies will result in a retrospective—based guaranty fund assessment against the company. The liabilities for known potential assessments are not considered material to the financial position of the Company.

#### C. Gain Contingencies

Not applicable.

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

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation are not considered material to the financial position of the Company.

#### E. Product Warranties

Not applicable.

#### F. Joint and Several Liabilities

Not applicable.

#### G. All Other Contingencies

Not applicable.

### 15. Leases

The Company's lease agreements are limited to office and electronic data processing equipment. Rent expense for the years ending December 31, 2016 and 2015 was not considered material to the Company's financial statements.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

Not applicable.

20. Fair Value Measurements

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

Level 1:

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

Level 2:

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

Level 3:

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

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

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Common Stock:				
Mutual Funds	\$ 3,557,231	\$ —	\$ —	\$ 3,557,231
Industrial and Misc	4,089,672	—	86,156	4,175,828
Total Common Stocks	7,646,903	—	86,156	7,733,059
Other Invested Assets	611,766	—	—	611,766
Total assets at fair value	<u>\$ 8,258,669</u>	<u>\$ —</u>	<u>\$ 86,156</u>	<u>\$ 8,344,825</u>
b. Liabilities at fair value:				
Not applicable.				



NOTES TO FINANCIAL STATEMENTS

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	\$ 3,052,427	\$ —	\$ —	\$ 3,052,427
Industrial and Misc	<u>4,177,504</u>	<u>—</u>	<u>86,436</u>	<u>4,263,940</u>
Total Common Stocks	7,229,931	—	86,436	7,316,367
 Total assets at fair value	<u>\$ 7,229,931</u>	<u>\$ —</u>	<u>\$ 86,436</u>	<u>\$ 7,316,367</u>
b. Liabilities at fair value:				
Not applicable.				

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

	Beginning Balance at 01/01/2016	Transfers In/(out) Level 3	Total Gain/(Loss) Included in Net Income	Total Gain/(Loss) Included in Surplus	(Sales)	Ending Balance at 12/31/2016
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 86,436	\$ —	\$ —	\$ (280)	\$ —	\$ 86,156
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 December 31, 2016, the reported fair value of the entity’s investments categorized within Level 3 of the fair value hierarchy is comprised of 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	\$ 14,702,763	\$ 14,548,233	\$ 1,036,671	\$ 13,666,092	\$ —	\$ —
Common Stock	7,733,059	7,733,059	7,646,903	—	86,156	—
Other Invested Assets	611,766	611,766	611,766	—	—	—
Short-term Investments	856,483	856,483	—	856,483	—	—

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

21. Other Items

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

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 28, 2017 for the statutory statement issued on February 28, 2017 for the year ending December 31, 2016. No Type I events were identified that would have a material effect on the financial condition of the Company.

Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through February 28, 2017 for the statutory statement issued on February 28, 2017 for the year ending December 31, 2016. No Type II events were identified that would have a material effect on the financial condition of the Company.

23. Reinsurance

- A. Unsecured Reinsurance Recoverables  
Not applicable.
- B. Reinsurance Recoverable in Dispute  
Not applicable.
- C. Reinsurance Assumed and Ceded  
If the Company cancelled its umbrella reinsurance program, the return commission would not have a material impact on the financial condition of the Company.
- D. Uncollectible Reinsurance  
Not applicable.
- 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 \$3.9 million. During 2016, \$1.8 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 \$2.0 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$0.1 million favorable prior year development from December 31, 2015 to December 31, 2016. Favorable development in auto physical damage, homeowner, farmowner, other property and other liability lines of insurance, were offset, in part, by unfavorable development in auto liability 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

A.	NAIC No.	Pool Share
Lightning Rod Mutual Insurance Company (Lead)	26123	55.0%
Western Reserve Mutual Casualty Company	26131	40.0%
Sonnenberg Mutual Insurance Company	10271	5.0%

NOTES TO FINANCIAL STATEMENTS

- B. All transactions and balances in the underwriting accounts of the companies are pooled except premiums in the course of collection.
- C. All lines of business are subject to the intercompany pooling agreement. Cessions to non—affiliated reinsurers are prior to the cession of pooled business from the affiliated pool members to the lead entity.
- D. All pool members are subject to the same non—affiliated reinsurance treaties and have the contractual right of direct recovery per the terms of the reinsurance agreement.
- E. There are no discrepancies between the reinsurance schedules of the lead and other members of the pool.
- F. The Provision for Reinsurance (Schedule F, Part 7) and the write—off of uncollectible reinsurance is in accordance with the pool participation percentages.
- G. There were no balances due to/ due from the Company’s affiliated entities participating in the intercompany pool as of December 31, 2016.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

- 1. No significant change Liability carried for premium deficiency reserves \$ —
- 2. Date of most recent evaluation of this liability 12/31/2016
- 3. Was anticipated investment income utilized in the calculation? Yes ( ) No ( x )

31. High Deductibles

Not applicable.

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

No significant changes.

33. Asbestos/Environmental Reserves

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
(1) Direct –					
a. Beginning reserves:	\$ 1	\$ 4	\$ 8	\$ 4	\$ 4
b. Incurred losses and loss adjustment expense:	4	9	4	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>1</u>	<u>5</u>	<u>7</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ 4</u>	<u>\$ 8</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>

NOTES TO FINANCIAL STATEMENTS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
(2) Assumed Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(3) Net of Ceded Reinsurance –					
a. Beginning reserves:	\$ 1	\$ 4	\$ 8	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	4	5	(8)	—	—
c. Calendar year payments for loss and loss adjustment expenses:	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ 4</u>	<u>\$ 8</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) Ceded Reinsurance Basis:	\$ —

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

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, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Ohio.....
- 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

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

.....12/31/2011
- 3.2

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

.....12/31/2011
- 3.3

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

.....11/26/2012
- 3.4

By what department or departments? Ohio.....
- 3.5

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

Yes ☐ No ☐ N/A ☒
- 3.6

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

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

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

Yes ☐ No ☒
- 5.2

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

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

- 6.1

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

Yes ☐ No ☒
- 6.2

If yes, give full information .....
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control

.....0.0
- 7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

GENERAL INTERROGATORIES

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG 191 West Nationwide Blvd. Columbus, Ohio 43215-2568.....

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

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

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

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

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

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
William D. Hansen, FCAS, MAAA, Oliver Wyman, 325 John H. McConnell Blvd. Suite 350, Columbus, Ohio 43215.....

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$.....0

12.2 If yes, provide explanation

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

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

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

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

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

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

e. Accountability for adherence to the code.

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

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

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

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

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

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [ X ] No [ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [ ] No [ ] NA [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [ ] No [ ] NA [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [ ] No [ ] NA [ X ]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [ ] No [ ] NA [ X ]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.103 Total payable for securities lending reported on the liability page \$.....

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [ X ] No [ ]

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

25.21 Subject to repurchase agreements

25.22 Subject to reverse repurchase agreements

25.23 Subject to dollar repurchase agreements

25.24 Subject to reverse dollar repurchase agreements

25.25 Placed under option agreements

25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock

25.27 FHLB Capital Stock

25.28 On deposit with states

25.29 On deposit with other regulatory bodies

25.30 Pledged as collateral – excluding collateral pledged to an FHLB

25.31 Pledged as collateral to FHLB – including assets backing funding agreements

25.32 Other

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

255,564

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

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

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

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust Company.....	50 South Lasalle Street Chicago, IL 60603.....

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
SEI Global Services.....	1 Freedom Valley Drive Oaks, PA 19456..	Custodian of the Harvest MLP Income Fund LLC purchased in 2016; not accounted for by Northern Trust Company.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ X ]

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

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



GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Michael Shutt.....	I.....
Adrian Besancon.....	I.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [   ] No [   ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [   ] No [   ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001. 233203-84-3.....	DFA US Small Cap Portfolio.....	322,586
29.2002. 25264S-85-8.....	Diamond Hill Small Cap FD CL I.....	305,720
29.2003. 256206-10-3.....	Dodge & Cox Intl Stock FD.....	1,377,466
29.2004. 277911-49-1.....	Eaton Vance Floating Rate Fund CL I.....	882,873
29.2005. 413838-20-2.....	The Oakmark International Fund I.....	84,149
29.2006. 09658L-51-3.....	BMO Pyrford Intl Stk Fund CL I.....	305,413
29.2999 TOTAL		3,278,207

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
DFA US Small Cap Portfolio.....	Russell 2000 Mini Mar17 Ifus 20170317.....	1,581	12/31/2016.....
DFA US Small Cap Portfolio.....	S+P500 Emini Fut Mar17 Xcme 20170317.....	1,355	12/31/2016.....
DFA US Small Cap Portfolio.....	United States Steel Corp.....	1,290	12/31/2016.....
DFA US Small Cap Portfolio.....	Mentor Graphics Corp.....	968	12/31/2016.....
DFA US Small Cap Portfolio.....	Primerica Inc.....	903	12/31/2016.....
Diamond Hill Small Cap FD.....	Avis Budget Group.....	17,701	12/31/2016.....
Diamond Hill Small Cap FD.....	Diamond Hill Short Duration Total Ret Y.....	10,670	12/31/2016.....
Diamond Hill Small Cap FD.....	DST Systems Inc.....	8,866	12/31/2016.....
Diamond Hill Small Cap FD.....	Navigators Group Inc.....	8,132	12/31/2016.....
Diamond Hill Small Cap FD.....	Vail Resorts Inc.....	8,102	12/31/2016.....
Dodge Cox Intl Stock FD.....	Samsung Electronics Co Ltd.....	61,573	12/31/2016.....
Dodge Cox Intl Stock FD.....	Sanofi SA.....	50,691	12/31/2016.....
Dodge Cox Intl Stock FD.....	Naspers Ltd Class N.....	46,696	12/31/2016.....
Dodge Cox Intl Stock FD.....	Schlumberger Ltd.....	43,528	12/31/2016.....
Dodge Cox Intl Stock FD.....	Barclays PLC.....	39,809	12/31/2016.....
Eaton Vance Floating Rate Fund CL.....	Infor Lawson.....	7,416	12/31/2016.....
Eaton Vance Floating Rate Fund CL.....	Virgin Media.....	7,240	12/31/2016.....
Eaton Vance Floating Rate Fund CL.....	Ppd.....	6,357	12/31/2016.....
Eaton Vance Floating Rate Fund CL.....	Broadcom Cayman Floating Coupon Mat 20230201.....	6,357	12/31/2016.....
Eaton Vance Floating Rate Fund CL.....	Intelsat Jackson Holdings.....	6,268	12/31/2016.....
The Oakmark International Fund.....	Glencore PLC.....	3,602	12/31/2016.....
The Oakmark International Fund.....	Lloyds Banking Group PLC.....	3,273	12/31/2016.....
The Oakmark International Fund.....	BNP Paribas.....	2,987	12/31/2016.....
The Oakmark International Fund.....	Intesa Sanpaolo.....	2,945	12/31/2016.....
The Oakmark International Fund.....	Credit Suisse Group AG.....	2,878	12/31/2016.....
BMO Pyrford Intl Stk Fund CLI.....	Nestle SA.....	11,025	12/31/2016.....
BMO Pyrford Intl Stk Fund CLI.....	Roche Holding AG Dividend Right Cert.....	9,865	12/31/2016.....
BMO Pyrford Intl Stk Fund CLI.....	Novartis AG.....	9,010	12/31/2016.....

GENERAL INTERROGATORIES

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
BMO Pyrford Intl Stk Fund CLI.....	Sanofi SA.....	6,383	12/31/2016.....
BMO Pyrford Intl Stk Fund CLI.....	Brambles Ltd.....	6,200	12/31/2016.....

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	15,404,716	15,559,246	154,530
30.2 Preferred Stocks.....	0		0
30.3 Totals	15,404,716	15,559,246	154,530

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

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [ ☐ ] No [ ☒ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [ ☐ ] No [ ☐ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [ ☒ ] No [ ☐ ]
- 32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ .....44,225
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office.....	\$.....30,678

- 34.1 Amount of payments for legal expenses, if any? \$ .....1,520
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Weston Hurd, LLP.....	\$.....723

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U. S. business only. ....

\$.....0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$.....

1.31

Reason for excluding

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....

\$.....

1.5

Indicate total incurred claims on all Medicare Supplement insurance. ....

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$.....0

1.62

Total incurred claims .....

\$.....0

1.63

Number of covered lives .....

.....0

All years prior to most current three years:

1.64

Total premium earned .....

\$.....0

1.65

Total incurred claims .....

\$.....0

1.66

Number of covered lives .....

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$.....0

1.72

Total incurred claims .....

\$.....0

1.73

Number of covered lives .....

.....0

All years prior to most current three years:

1.74

Total premium earned .....

\$.....0

1.75

Total incurred claims .....

\$.....0

1.76

Number of covered lives .....

.....0

2.

Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....0	\$	.....0
2.2	Premium Denominator	\$ .....10,035,295	\$	.....9,695,346
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$ .....0	\$	.....0
2.5	Reserve Denominator	\$ .....9,171,867	\$	.....8,475,713
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

3.1

Does the reporting entity issue both participating and non-participating policies? .....

Yes [ ] No [ X ]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies.....

\$.....

3.22

Non-participating policies.....

\$.....

4.

For Mutual reporting entities and Reciprocal Exchanges only:

4.1

Does the reporting entity issue assessable policies?.....

Yes [ ] No [ X ]

4.2

Does the reporting entity issue non-assessable policies?.....

Yes [ ] No [ X ]

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?.....

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....

\$.....

5.

For Reciprocal Exchanges Only:

5.1

Does the exchange appoint local agents?.....

Yes [ ] No [ ]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [ ] No [ ] N/A [ ]

5.22

As a direct expense of the exchange.....

Yes [ ] No [ ] N/A [ ]

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?.....

Yes [ ] No [ ]

5.5

If yes, give full information

.....

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GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss: .....

Protection is provided by the casualty excess of loss agreement with one layer of \$3.8M excess of \$1.2M and by the workers compensation excess of loss agreement's additional layer of \$10M excess of \$5 million creating a \$13.8M limit above a \$1.2M per occurrence retention.....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: .....

Catastrophe modeling (AIR and RMS models provided by our catastrophe reinsurance broker) is utilized to estimate probable maximum loss (PML). The exposures comprising the PML were severe thunderstorms, winter storms and earthquake in Ohio and Indiana.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....

A property catastrophe reinsurance agreement consists of three layers with an automatic reinstatement for additional premium. The total amount of coverage for a single loss occurrence is \$56.5 million above an \$8.5 million retention.....

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?.....

Yes [ X ] No [ ]

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?.....

Yes [ ] No [ X ]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.....

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

Yes [ ] No [ ]

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?.....

Yes [ ] No [ X ]

8.2

If yes, give full information

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

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

(c) Aggregate stop loss reinsurance coverage;

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

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

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

Yes [ ] No [ X ]

9.2

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

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

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

Yes [ ] No [ X ]

9.3

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

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

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

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

9.4

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

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

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

Yes [ ] No [ X ]

9.5

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

9.6

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

(a) The entity does not utilize reinsurance; or,

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

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

Yes [ ] No [ X ]

Yes [ ] No [ X ]

Yes [ ] No [ X ]

10.

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

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

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

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

Yes [ ] No [X]

11.2

If yes, give full information

12.1

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

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

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

\$

12.3

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

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

12.4

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

12.41

From

%

12.42

To

%

12.5

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

Yes [ ] No [X]

12.6

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

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$1,200,000

13.2

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

Yes [ ] No [X]

13.3

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

2

14.1

Is the reporting entity a cedant in a multiple cedant reinsurance contract?

Yes [ ] No [X]

14.2

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

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [ ] No [ ]

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [ ] No [ ]

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [ ] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [ ] No [X]

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

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

\* Disclose type of coverage:

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$.....
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....

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

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.					
	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	16,780,721	10,458,720	4,808,699	2,583,348	2,533,099
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	13,525,761	8,256,417	3,949,017	2,356,630	2,297,833
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	6,585,159	7,549,169	7,525,121	7,062,543	6,163,853
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	36,891,641	26,264,306	16,282,837	12,002,521	10,994,785
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,917,600	2,735,042	2,661,123	2,582,025	2,531,620
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,437,929	2,293,206	2,286,353	2,306,007	2,248,111
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,873,061	4,752,786	4,687,593	4,398,979	3,952,862
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	10,228,590	9,781,034	9,635,069	9,287,011	8,732,593
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	196,929	479,375	443,137	143,763	(1,085,243)
14. Net investment gain (loss) (Line 11)	726,747	551,812	733,494	656,891	589,765
15. Total other income (Line 15)	137,013	136,470	138,388	139,425	130,296
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	139,893	283,947	131,686	11,608	(12,886)
18. Net income (Line 20)	920,796	883,709	1,183,334	928,471	(352,296)
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	25,943,575	23,906,254	23,180,770	21,901,430	20,125,696
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	286,572	294,669	305,220	306,236	306,111
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	10,638,788	9,799,820	9,639,837	9,384,169	8,873,287
22. Losses (Page 3, Line 1)	3,620,726	3,197,254	2,948,392	2,927,913	2,696,449
23. Loss adjustment expenses (Page 3, Line 3)	752,384	672,997	608,081	583,903	563,906
24. Unearned premiums (Page 3, Line 9)	4,798,757	4,605,462	4,519,774	4,373,822	4,136,808
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	15,304,787	14,106,434	13,540,933	12,517,261	11,252,409
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	1,408,077	1,274,608	1,151,324	1,650,214	281,321
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	15,304,787	14,106,434	13,540,933	12,517,261	11,252,409
29. Authorized control level risk-based capital	1,122,979	1,031,322	999,864	991,950	901,767
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	57.3	61.4	60.9	61.1	62.9
31. Stocks (Lines 2.1 & 2.2)	30.4	31.3	32.8	30.8	30.8
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	9.9	7.3	6.4	6.1	3.8
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	2.4	0.0	0.0	2.1	2.4
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	3,861	3,442	3,425	3,361	45,134
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	3,861	3,442	3,425	3,361	45,134
49. Total Investment in parent included in Lines 42 to 47 above	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.4



FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2016	2015	2014	2013	2012
(Continued)					
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24) .....	345,173	(327,980)	27,065	423,821	205,542
52. Dividends to stockholders (Line 35) .....	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38) .....	1,198,352	565,502	1,023,671	1,264,852	51,469
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	8,216,755	3,446,162	1,637,965	1,617,456	1,627,072
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	8,283,486	4,626,127	1,617,622	1,280,958	1,292,115
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	3,015,956	3,210,859	3,099,495	2,698,223	3,665,912
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
59. Total (Line 35) .....	19,516,197	11,283,148	6,355,082	5,596,637	6,585,099
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	1,662,433	1,538,132	1,508,354	1,603,006	1,608,046
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	1,417,673	1,361,840	1,326,171	1,277,190	1,292,715
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	1,969,324	1,884,617	2,124,715	1,784,030	2,645,727
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
65. Total (Line 35) .....	5,049,430	4,784,589	4,959,240	4,664,226	5,546,488
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	54.5	51.9	52.5	54.1	68.0
68. Loss expenses incurred (Line 3) .....	10.5	10.5	10.3	10.1	10.7
69. Other underwriting expenses incurred (Line 4) .....	33.0	32.6	32.5	34.2	34.3
70. Net underwriting gain (loss) (Line 8) .....	2.0	4.9	4.7	1.6	(12.9)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....	31.0	30.9	30.6	31.8	31.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	65.1	62.4	62.8	64.2	78.6
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....	66.8	69.3	71.2	74.2	77.6
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11) .....	(177)	(216)	(168)	(264)	(76)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	(1.3)	(1.6)	(1.3)	(2.3)	(0.7)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	(343)	(429)	(417)	(182)	(281)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	(2.5)	(3.4)	(3.7)	(1.6)	(2.5)

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

If no, please explain

.....

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES  
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4	5	6	7	8	9			
Direct and Assumed	Ceded	Net (Cols. 1 - 2)	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
1. Prior	XXX	XXX	XXX	(2)	0	1	1	0	0	4	(2)	XXX
2. 2007	7,386	359	7,027	4,318	293	123	16	600	3	221	4,729	XXX
3. 2008	7,382	377	7,005	5,134	798	187	43	704	0	200	5,184	XXX
4. 2009	7,462	388	7,074	4,515	182	100	0	525	0	206	4,958	XXX
5. 2010	7,893	368	7,525	4,711	34	109	1	584	0	260	5,369	XXX
6. 2011	8,439	553	7,886	6,325	1,204	113	0	661	0	284	5,895	XXX
7. 2012	9,074	677	8,397	6,236	924	109	0	771	0	255	6,192	XXX
8. 2013	9,653	605	9,048	4,787	6	109	3	778	0	293	5,665	XXX
9. 2014	10,040	548	9,492	4,791	22	70	0	828	0	266	5,667	XXX
10. 2015	10,222	526	9,696	4,316	13	40	0	783	0	231	5,126	XXX
11. 2016	10,572	537	10,035	3,642	22	11	0	647	0	113	4,278	XXX
12. Totals	XXX	XXX	XXX	48,773	3,498	972	64	6,881	3	2,333	53,061	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1.	9	4	0	0	0	0	0	0	0	0	0	5	XXX
2.	4	0	1	0	0	0	0	0	1	0	0	6	XXX
3.	6	6	1	0	0	0	0	0	2	0	0	4	XXX
4.	3	0	2	0	1	0	0	0	3	0	0	9	XXX
5.	13	0	3	1	2	0	1	0	4	0	0	21	XXX
6.	32	0	6	1	4	0	1	0	8	0	0	48	XXX
7.	29	0	6	1	7	0	2	1	12	0	0	55	XXX
8.	214	23	13	4	15	0	6	2	25	1	0	243	XXX
9.	407	0	34	10	40	1	14	5	59	2	0	536	XXX
10.	884	11	64	18	70	1	24	8	101	3	0	1,100	XXX
11.	1,465	1	660	152	146	2	44	16	211	7	0	2,347	XXX
12.	3,065	45	790	189	286	4	92	33	425	14	0	4,374	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	5	0
2. ....	5,047	312	4,735	68.3	87.0	67.4	0	0	5.0	4	2
3. ....	6,035	847	5,188	81.8	224.7	74.1	0	0	5.0	2	2
4. ....	5,149	183	4,967	69.0	47.1	70.2	0	0	5.0	5	4
5. ....	5,426	36	5,390	68.7	9.8	71.6	0	0	5.0	15	6
6. ....	7,149	1,206	5,943	84.7	218.1	75.4	0	0	5.0	36	12
7. ....	7,174	927	6,247	79.1	136.9	74.4	0	0	5.0	34	21
8. ....	5,947	38	5,908	61.6	6.3	65.3	0	0	5.0	201	43
9. ....	6,243	40	6,203	62.2	7.3	65.4	0	0	5.0	431	106
10. ....	6,281	55	6,226	61.4	10.5	64.2	0	0	5.0	919	182
11. ....	6,825	200	6,625	64.6	37.3	66.0	0	0	5.0	1,970	376
12. ....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	3,621	752

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior	1,009	.826	.751	.705	.680	.683	.678	.664	.661	.658	(3)	(6)
2. 2007	4,327	4,310	4,170	4,105	4,102	4,106	4,128	4,134	4,134	4,137	3	3
3. 2008	XXX	4,628	4,631	4,499	4,470	4,507	4,493	4,488	4,472	4,482	10	(6)
4. 2009	XXX	XXX	4,575	4,543	4,509	4,475	4,456	4,446	4,446	4,439	(7)	(7)
5. 2010	XXX	XXX	XXX	4,986	4,833	4,786	4,825	4,791	4,788	4,802	14	11
6. 2011	XXX	XXX	XXX	XXX	5,487	5,448	5,319	5,307	5,282	5,275	(7)	(32)
7. 2012	XXX	XXX	XXX	XXX	XXX	5,833	5,675	5,591	5,505	5,464	(41)	(127)
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	5,274	5,259	5,131	5,106	(25)	(153)
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,343	5,388	5,318	(70)	(25)
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,396	5,346	(50)	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,774	XXX	XXX
12. Totals											(177)	(343)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior	.000	.325	.541	.609	.623	.647	.647	.648	.655	.653	XXX	XXX
2. 2007	2,860	3,650	3,832	3,979	4,031	4,097	4,113	4,120	4,131	4,132	XXX	XXX
3. 2008	XXX	3,261	4,048	4,270	4,380	4,473	4,448	4,449	4,469	4,480	XXX	XXX
4. 2009	XXX	XXX	3,090	3,995	4,237	4,381	4,415	4,425	4,429	4,433	XXX	XXX
5. 2010	XXX	XXX	XXX	3,403	4,204	4,528	4,661	4,725	4,745	4,785	XXX	XXX
6. 2011	XXX	XXX	XXX	XXX	3,722	4,699	5,007	5,160	5,215	5,234	XXX	XXX
7. 2012	XXX	XXX	XXX	XXX	XXX	4,039	4,927	5,193	5,371	5,421	XXX	XXX
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	3,425	4,394	4,678	4,887	XXX	XXX
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,616	4,487	4,839	XXX	XXX
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,465	4,343	XXX	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,631	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016
1. Prior	.97	.38	.13	.2	.1	.2	.0	.0	.0	.0
2. 2007	410	.28	.23	.5	.2	.0	.0	.0	.0	.1
3. 2008	XXX	355	.52	.18	.3	.3	.2	.4	.0	.1
4. 2009	XXX	XXX	.375	.25	.24	.3	.2	.4	.5	.2
5. 2010	XXX	XXX	XXX	.422	.49	.6	.14	.11	.4	.3
6. 2011	XXX	XXX	XXX	XXX	.399	.63	.36	.25	.15	.5
7. 2012	XXX	XXX	XXX	XXX	XXX	.387	.70	.45	.21	.6
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	.464	.64	.36	.13
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.445	.63	.33
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.455	.61
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	535

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL N	.0	.0	.0	.0	.0	.0	.0	
2. Alaska	AK N	.0	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ N	.0	.0	.0	.0	.0	.0	.0	
4. Arkansas	AR N	.0	.0	.0	.0	.0	.0	.0	
5. California	CA N	.0	.0	.0	.0	.0	.0	.0	
6. Colorado	CO N	.0	.0	.0	.0	.0	.0	.0	
7. Connecticut	CT N	.0	.0	.0	.0	.0	.0	.0	
8. Delaware	DE N	.0	.0	.0	.0	.0	.0	.0	
9. Dist. Columbia	DC N	.0	.0	.0	.0	.0	.0	.0	
10. Florida	FL N	.0	.0	.0	.0	.0	.0	.0	
11. Georgia	GA N	.0	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI N	.0	.0	.0	.0	.0	.0	.0	
13. Idaho	ID N	.0	.0	.0	.0	.0	.0	.0	
14. Illinois	IL N	.0	.0	.0	.0	.0	.0	.0	
15. Indiana	IN L	7,042,114	6,124,493	.0	4,725,439	5,381,516	1,891,466	95,093	
16. Iowa	IA N	.0	.0	.0	.0	.0	.0	.0	
17. Kansas	KS N	.0	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY N	.0	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA N	.0	.0	.0	.0	.0	.0	.0	
20. Maine	ME N	.0	.0	.0	.0	.0	.0	.0	
21. Maryland	MD N	.0	.0	.0	.0	.0	.0	.0	
22. Massachusetts	MA N	.0	.0	.0	.0	.0	.0	.0	
23. Michigan	MI N	.0	.0	.0	.0	.0	.0	.0	
24. Minnesota	MN N	.0	.0	.0	.0	.0	.0	.0	
25. Mississippi	MS N	.0	.0	.0	.0	.0	.0	.0	
26. Missouri	MO N	.0	.0	.0	.0	.0	.0	.0	
27. Montana	MT N	.0	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE N	.0	.0	.0	.0	.0	.0	.0	
29. Nevada	NV N	.0	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH N	.0	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ N	.0	.0	.0	.0	.0	.0	.0	
32. New Mexico	NM N	.0	.0	.0	.0	.0	.0	.0	
33. New York	NY N	.0	.0	.0	.0	.0	.0	.0	
34. No. Carolina	NC N	.0	.0	.0	.0	.0	.0	.0	
35. No. Dakota	ND N	.0	.0	.0	.0	.0	.0	.0	
36. Ohio	OH L	19,620,937	16,929,597	.0	9,741,327	12,966,431	5,079,955	264,535	
37. Oklahoma	OK N	.0	.0	.0	.0	.0	.0	.0	
38. Oregon	OR N	.0	.0	.0	.0	.0	.0	.0	
39. Pennsylvania	PA N	.0	.0	.0	.0	.0	.0	.0	
40. Rhode Island	RI N	.0	.0	.0	.0	.0	.0	.0	
41. So. Carolina	SC N	.0	.0	.0	.0	.0	.0	.0	
42. So. Dakota	SD N	.0	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN N	.0	.0	.0	.0	.0	.0	.0	
44. Texas	TX N	.0	.0	.0	.0	.0	.0	.0	
45. Utah	UT N	.0	.0	.0	.0	.0	.0	.0	
46. Vermont	VT N	.0	.0	.0	.0	.0	.0	.0	
47. Virginia	VA N	.0	.0	.0	.0	.0	.0	.0	
48. Washington	WA N	.0	.0	.0	.0	.0	.0	.0	
49. West Virginia	WV N	.0	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI N	.0	.0	.0	.0	.0	.0	.0	
51. Wyoming	WY N	.0	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS N	.0	.0	.0	.0	.0	.0	.0	
53. Guam	GU N	.0	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR N	.0	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI N	.0	.0	.0	.0	.0	.0	.0	
56. Northern Mariana Islands	MP N	.0	.0	.0	.0	.0	.0	.0	
57. Canada	CAN N	.0	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Totals	(a) 2	26,663,051	23,054,090	0	14,466,766	18,347,947	6,971,421	359,628	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	0	0	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.

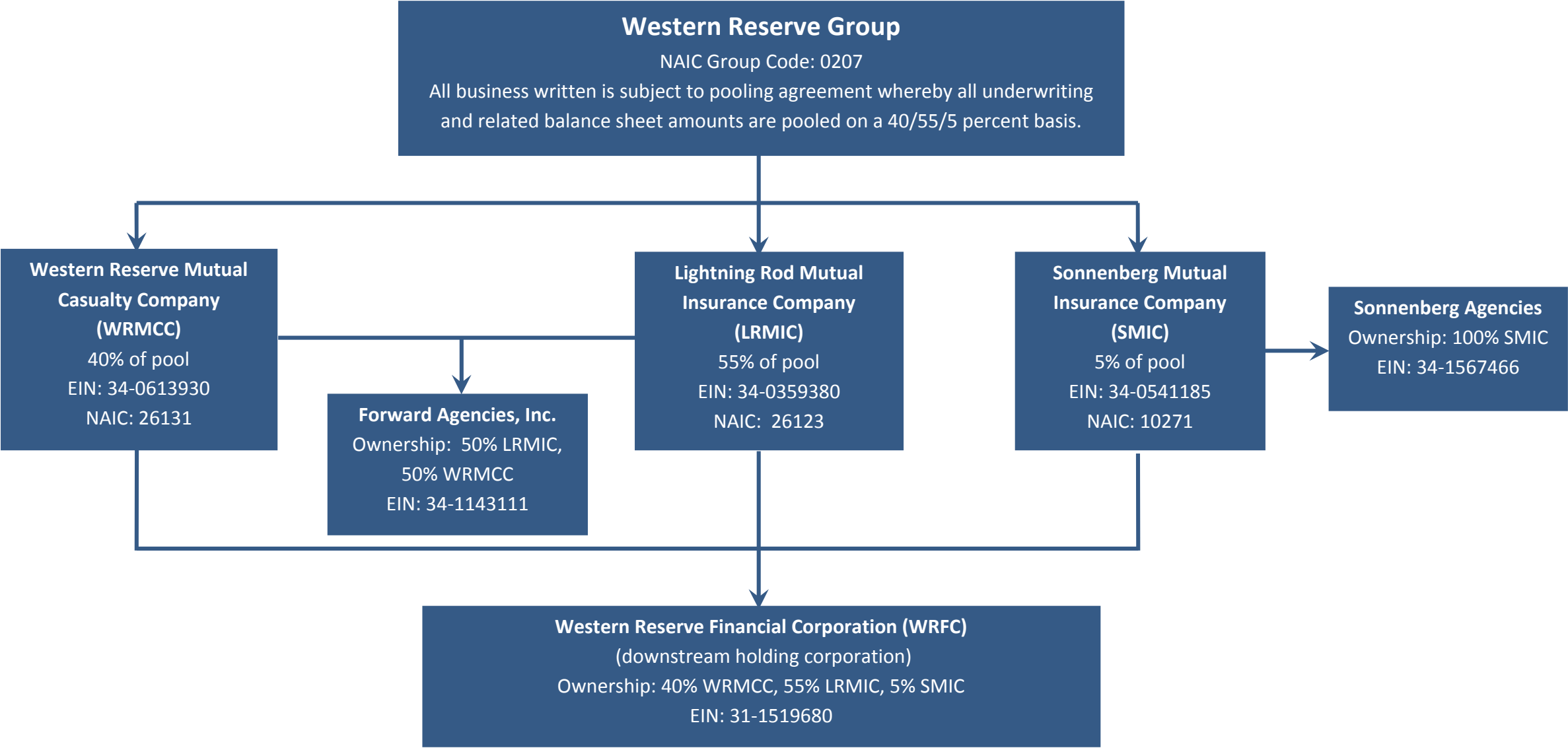
Explanation of basis of allocation of premiums by states, etc.

Actual direct written and earned premium by state are assigned by address of policyholder for all lines of business.

(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



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