



QUARTERLY STATEMENT

AS OF MARCH 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code 02070 , 0207 NAIC Company Code 26123 Employer's ID Number 34-0359380
(Current Period) (Prior Period)

Organized under the Laws of Ohio , State of Domicile or Port of Entry Ohio
Country of Domicile United States

Incorporated/Organized 01/01/1906 Commenced Business 03/01/1906

Statutory Home Office 1685 Cleveland Road , Wooster, OH, US 44691-0036
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1685 Cleveland Road Wooster, OH, US 44691-0036 330-262-9060
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1685 Cleveland Road , Wooster, OH, US 44691-0036
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1685 Cleveland Road Wooster, OH, US 44691-0036 330-262-9060
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.wrg-ins.com

Statutory Statement Contact Christopher M. Racz, CPA 330-262-9060-2446
(Name) (Area Code) (Telephone Number) (Extension)
Christopher_Racz@wrg-ins.com 330-264-7822
(E-Mail Address) (Fax Number)

OFFICERS

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

OTHER OFFICERS

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

DIRECTORS OR TRUSTEES

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

State of Ohio

County of Wayne ss

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

KEVIN W. DAY
PRESIDENT AND SECRETARY -CHIEF EXECUTIVE OFFICER

MICHAEL A. SHUTT
VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER

a. Is this an original filing? Yes No

Subscribed and sworn to before me this 12 day of May, 2017

b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Lauresa Durham, Notary Public
July 30, 2021

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	135,087,093	0	135,087,093	132,494,279
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	76,739,041	349,841	76,389,200	74,997,222
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	4,457,412	0	4,457,412	4,516,742
4.2 Properties held for the production of income (less \$ encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ encumbrances)	0	0	0	0
5. Cash (\$29,040,002), cash equivalents (\$0) and short-term investments (\$3,500,567)	32,540,569	0	32,540,569	34,927,166
6. Contract loans (including \$ premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	16,961,074	0	16,961,074	16,751,097
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	265,785,189	349,841	265,435,348	263,686,506
13. Title plants less \$ charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,483,517	0	1,483,517	1,462,415
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,921,141	65,875	15,855,266	15,877,772
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	12,243	0	12,243	378,020
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	613,629
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 (\$)	627,213	627,213	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	171,578	171,578	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	284,000,881	1,214,507	282,786,374	282,018,342
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	284,000,881	1,214,507	282,786,374	282,018,342
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Asset	171,578	171,578	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	171,578	171,578	0	0

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$10,517,314)	40,078,800	39,827,983
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	8,276,225	8,276,225
4. Commissions payable, contingent commissions and other similar charges	2,342,543	3,825,235
5. Other expenses (excluding taxes, licenses and fees)	2,217,047	5,283,384
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,817,748	1,388,078
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	608,129	0
7.2 Net deferred tax liability	5,189,117	4,559,187
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	52,417,755	52,786,332
10. Advance premium	1,173,053	672,450
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(410,692)	344,699
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	907,067	1,254,579
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	114,616,792	118,218,153
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	114,616,792	118,218,153
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)	168,169,582	163,800,189
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)	168,169,582	163,800,189
38. Totals (Page 2, Line 28, Col. 3)	282,786,374	282,018,342
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	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	0
2902.	0	0
2903.	0	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

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 22,074,561)	22,934,773	22,936,543	92,483,674
1.2 Assumed (written \$ 29,657,238)	29,478,258	27,472,010	113,296,514
1.3 Ceded (written \$ 23,951,670)	24,264,324	23,370,686	95,391,972
1.4 Net (written \$ 27,780,129)	28,148,707	27,037,867	110,388,216
DEDUCTIONS:			
2. Losses incurred (current accident year \$):)			
2.1 Direct	9,937,672	6,429,627	42,352,291
2.2 Assumed	16,506,724	14,271,384	67,589,107
2.3 Ceded	11,698,388	9,380,082	49,739,476
2.4 Net	14,746,008	11,320,929	60,201,922
3. Loss adjustment expenses incurred	2,694,857	2,568,310	11,608,184
4. Other underwriting expenses incurred	9,066,973	8,736,806	36,411,917
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	26,507,839	22,626,045	108,222,023
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	1,640,868	4,411,822	2,166,193
INVESTMENT INCOME			
9. Net investment income earned	1,180,578	1,247,543	5,078,582
10. Net realized capital gains (losses) less capital gains tax of \$ 310,905	603,522	119,172	1,592,280
11. Net investment gain (loss) (Lines 9 + 10)	1,784,100	1,366,715	6,670,862
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 21,072)	(21,072)	(23,545)	(90,518)
13. Finance and service charges not included in premiums	415,891	397,761	1,597,562
14. Aggregate write-ins for miscellaneous income	(4,398)	12,159	16,192
15. Total other income (Lines 12 through 14)	390,421	386,375	1,523,235
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,815,389	6,164,912	10,360,290
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	3,815,389	6,164,912	10,360,290
19. Federal and foreign income taxes incurred	940,853	1,792,002	1,335,511
20. Net income (Line 18 minus Line 19)(to Line 22)	2,874,536	4,372,910	9,024,779
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	163,800,189	151,532,362	151,532,360
22. Net income (from Line 20)	2,874,536	4,372,910	9,024,779
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 778,791	1,511,769	521,486	4,176,946
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	148,861	(17,038)	(970,783)
27. Change in nonadmitted assets	(165,773)	(134,270)	36,887
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	4,369,393	4,743,088	12,267,829
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	168,169,582	156,275,451	163,800,189
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	66	550	4,958
1402. Gain/(Loss) sale of Equipment	(4,464)	11,609	11,234
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(4,398)	12,159	16,192
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	27,525,342	27,142,354	112,242,965
2. Net investment income	1,418,507	1,433,929	5,981,969
3. Miscellaneous income	390,421	386,375	1,523,235
4. Total (Lines 1 to 3)	29,334,269	28,962,657	119,748,169
5. Benefit and loss related payments	14,129,414	12,234,813	55,907,150
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	15,840,109	14,621,566	46,932,561
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	30,000	0	2,200,000
10. Total (Lines 5 through 9)	29,999,523	26,856,379	105,039,711
11. Net cash from operations (Line 4 minus Line 10)	(665,254)	2,106,279	14,708,458
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	3,324,774	3,490,652	14,854,186
12.2 Stocks	1,850,907	956,636	12,570,526
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	354,131
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	3
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,175,681	4,447,288	27,778,846
13. Cost of investments acquired (long-term only):			
13.1 Bonds	6,182,882	1,949,917	20,929,178
13.2 Stocks	230,093	1,053,458	6,737,630
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	31,555	55,362
13.5 Other invested assets	0	0	6,985,000
13.6 Miscellaneous applications	0	138,653	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	6,412,975	3,173,583	34,707,170
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,237,294)	1,273,705	(6,928,324)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	(484,049)	(1,215,613)	(971,128)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(484,049)	(1,215,613)	(971,128)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,386,597)	2,164,371	6,809,006
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	34,927,165	28,118,159	28,118,159
19.2 End of period (Line 18 plus Line 19.1)	32,540,569	30,282,530	34,927,165

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

	State of Domicile	2017	2016
<u>NET INCOME</u>			
(1) LRMIC state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$ 2,874,536	\$ 9,024,779
(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>\$ 2,874,536</u>	<u>\$ 9,024,779</u>
<u>SURPLUS</u>			
(5) LRMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 168,169,582	\$ 163,800,189
(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>\$ 168,169,582</u>	<u>\$ 163,800,189</u>

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

No significant changes.

C. Accounting Policy

No significant changes.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan—Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

2. None.

3. None.

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (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	\$ (29,606)
2. 12 months or Longer	\$ (13,305)

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

1. Less than 12 months	\$ (1,632,337)
2. 12 months or longer	\$ (592,949)

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

The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. The stock owned is carried at \$364,000. The Company has no outstanding loans at March 31, 2017.

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	\$1,006,332	\$1,337,266	\$1,155,456	NO
912828-HN-3	480,143	591,534	575,441	NO
912828-LA-6	503,326	604,063	569,465	NO
912828-S5-0	1,204,745	1,186,074	1,214,858	NO
912828-UH-1	479,490	525,710	511,121	NO
Total:	\$3,674,036	\$4,244,646	\$4,026,341	

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

7. Investment Income

No significant changes.

8. Derivative Instruments

No significant changes.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at March 31, 2017 and December 31, 2016 are as follows:

1.

	03/31/2017		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 6,520,344	\$ 1,331,253	\$ 7,851,597
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	6,520,344	1,331,253	7,851,597
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	6,520,344	1,331,253	7,851,597
(f) Deferred Tax Liabilities	(514,164)	(12,526,550)	(13,040,714)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)			
(h) (1e – 1f)	<u>\$ 6,006,180</u>	<u>\$ (11,195,297)</u>	<u>\$ (5,189,117)</u>

	12/31/2016		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(i) Gross Deferred Tax Assets	\$ 6,340,612	\$ 1,359,813	\$ 7,700,425
(j) Statutory Valuation Allowance Adjustments	—	—	—
(k) Adjusted Gross Deferred Tax Assets (1a – 1b)	6,340,612	1,359,813	7,700,425
(l) Deferred Tax Assets Nonadmitted	—	—	—
(m) Subtotal Net Deferred Tax Asset (1c – 1d)	6,340,612	1,359,813	7,700,425
(n) Deferred Tax Liabilities	(530,583)	(11,729,029)	(12,259,612)
(o) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)			
(1e – 1f)	<u>\$ 5,810,029</u>	<u>\$ (10,369,216)</u>	<u>\$ (4,559,187)</u>

	Change		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ 179,732	\$ (28,560)	\$ 151,172
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	179,732	(28,560)	151,172
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	179,732	(28,560)	151,172
(f) Deferred Tax Liabilities	16,419	(797,521)	(781,102)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)			
(1e – 1f)	<u>\$ 196,151</u>	<u>\$ (826,081)</u>	<u>\$ (629,930)</u>

2. Admission Calculation Components SSAP No. 101

	03/31/2017		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 4,233,349	\$ —	\$ 4,233,349
(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)	569,941	—	569,941
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	569,941	—	569,941
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	24,597,181
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>1,717,054</u>	<u>1,331,253</u>	<u>3,048,307</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 6,520,344</u>	<u>\$ 1,331,253</u>	<u>\$ 7,851,597</u>

	12/31/2016		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(e) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 4,160,506	\$ —	\$ 4,160,506
(f) 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)		—	
3. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	535,708	—	535,708
4. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	24,597,181
(g) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>1,644,398</u>	<u>1,359,813</u>	<u>3,004,211</u>
(h) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 6,340,612</u>	<u>\$ 1,359,813</u>	<u>\$ 7,700,425</u>

	Change		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 72,843	\$ —	\$ 72,843
(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)	34,233	—	34,233
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	34,233	—	34,233
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	—
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>72,656</u>	<u>(28,560)</u>	<u>44,096</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 179,732</u>	<u>\$ (28,560)</u>	<u>\$ 151,172</u>

3.

	2017	2016
(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.	\$ 168,169,582	\$ 163,800,189

4. Impact of Tax—Planning Strategies

	03/31/2017	
	(1)	(2)
	Ordinary	Capital
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 6,520,344	\$ 1,331,253
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 6,520,344	\$ 1,331,253
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%

	<u>12/31/2016</u>	
	(1)	(2)
	Ordinary	Capital
(b) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
5. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 6,340,612	\$ 1,359,813
6. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
7. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 6,340,612	\$ 1,359,813
8. 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) Ordinary	(Col 2-4) Capital
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 179,732	\$ (28,560)
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)	\$ 179,732	\$ (28,560)
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>		

B. The Company has no temporary differences for which deferred tax liabilities are not recognized.

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

	(1)	(2)	(3)
	<u>03/31/2017</u>	<u>12/31/2016</u>	<u>(Col 1-2) Change</u>
1. Current Income Tax			
(a) Federal	\$ 940,853	\$ 1,335,511	\$ (394,768)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 940,853	\$ 1,335,511	\$ (394,768)
(d) Federal income tax on net capital gains	\$ 310,905	\$ 820,265	\$ (509,360)
(e) Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 1,251,758</u>	<u>\$ 2,155,776</u>	<u>\$ (904,128)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 522,162	\$ 522,162	\$ —
(2) Unearned premium reserve	\$ 3,564,406	\$ 3,589,469	\$ (25,063)
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed assets	\$ 271,589	\$ 225,166	\$ 46,423
(8) Compensation and benefits accrual	\$ 395,001	\$ 376,420	\$ 18,581
(9) Pension accrual	\$ 66,917	\$ 66,917	\$ —
(10) Receivables – nonadmitted	\$ 22,398	\$ 14,746	\$ 7,652
(11) Net operating loss carry—forward	\$ —	\$ —	\$ —
(12) Tax credit carry—forward	\$ —	\$ —	\$ —
(13) Other (including items <5% of total ordinary tax assets):			
(14) Salvage and subrogation anticipated	\$ 1,105,345	\$ 1,105,345	\$ —
(15) Software capitalized	\$ 389,764	\$ 338,417	\$ 51,347
(16) Other	\$ 182,761	\$ 101,970	\$ 80,791
(99) Subtotal	\$ 6,520,344	\$ 6,340,612	\$ 179,732
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 6,520,344</u>	<u>\$ 6,340,612</u>	<u>\$ 179,732</u>
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry—forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 1,311,625	\$ 1,340,185	\$ (28,560)
(6) Other	\$ 19,628	\$ 19,628	\$ —
(99) Subtotal	\$ 1,331,253	\$ 1,359,813	\$ (28,560)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 1,331,253</u>	<u>\$ 1,359,813</u>	<u>\$ (28,560)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 7,851,597</u>	<u>\$ 7,700,425</u>	<u>\$ 151,172</u>

	(1)	(2)	(3)
	03/31/2017	12/31/2016	(Col 1-2) Change
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (266,052)	\$ (282,671)	\$ 16,619
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities):			
(6) Accumulated amortization software	\$ (231,013)	\$ (211,166)	\$ (19,847)
(7) Tax over book depreciation	\$ (17,099)	\$ (36,747)	\$ 19,648
(99) Subtotal	\$ (514,164)	\$ (530,583)	\$ 16,419
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (12,526,550)	\$ (11,729,029)	\$ (797,521)
(99) Subtotal	\$ (12,526,550)	\$ (11,729,029)	\$ (797,521)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ (13,040,714)	\$ (12,259,612)	\$ (781,102)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ (5,189,117)	\$ (4,559,187)	\$ (629,930)

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

	03/31/2017	Effective Tax Rate
Provision computed at statutory rate	\$ 1,402,940	34.0%
Tax exempt interest	(101,386)	(2.5%)
Dividends received deduction	(70,216)	(1.7%)
Change in deferred tax on nonadmitted assets	54,074	1.3%
Other	(182,515)	(4.4%)
Total	\$ 1,102,897	26.7%
Federal and foreign income taxes incurred	\$ 940,853	22.8%
Tax on capital gains (losses)	310,905	7.5%
Change in net deferred income taxes	(148,861)	(3.6%)
Total statutory income taxes	\$ 1,102,897	26.7%

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

(1) As of March 31, 2017, 2016, the Company had no net operating loss or net capital loss carry—forwards available for tax purposes.

As of March 31, 2017, the Company had no alternative minimum tax (AMT) credit carry—forwards.

(2) As March 31, 2017, the Company had federal income taxes incurred available for recoupment in the event of future net losses of \$4,803,408.

(3) The Company has no deposits reported as admitted assets under IRC §6603 as of March 31, 2017.

F. The Company files an individual federal income tax return.

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

A. Not applicable.

B. Not applicable.

C. Not applicable.

D. At March 31, 2017, there were no intercompany balances due to and/or due from its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.

E. Not applicable.

F. No significant changes.

G. No significant changes.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. No significant changes.

NOTES TO FINANCIAL STATEMENTS

11. Debt

- A. The Company has no outstanding debentures at March 31, 2017 nor December 31, 2016.
- B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. As of March 31, 2017, the Company has not issued debt to the FHLB in exchange for cash. It is part of the Company's strategy to utilize these funds for operations, and any funds obtained from the FHLB of Cincinnati for use in general operations would be accounted for consistent with SSAP No. 15, *Debt and Holding Company Obligations* as borrowed money. The Company has determined the estimated maximum borrowing capacity as \$12,292,767. The Company calculated this amount in accordance with the Company's holdings of U.S. Treasuries, U.S. Agencies, U.S. Agency residential and commercial mortgage backed securities, and eligible municipal securities including both revenue and general obligation bonds that meet minimum FHLB credit risk requirements.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	(1)	(2)	(3)
	Total 2 + 3	General Account	Separate Accounts
a. Membership Stock – Class A	\$ —	\$ —	\$ —
b. Membership Stock – Class B	\$ 312,092	\$ 312,092	\$ —
c. Activity Stock	\$ —	\$ —	\$ —
d. Excess Stock	\$ 51,908	\$ 51,908	\$ —
e. Aggregate Total	<u>\$ 364,000</u>	<u>\$ 364,000</u>	<u>\$ —</u>
f. Actual or Estimated Borrowing Capacity as Determined by the Insurer	<u>\$ 12,292,767</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

2. Prior Year

	(1)	(2)	(3)
	Total 2 + 3	General Account	Separate Accounts
g. Membership Stock – Class A	\$ —	\$ —	\$ —
h. Membership Stock – Class B	\$ 364,000	\$ 364,000	\$ —
i. Activity Stock	\$ —	\$ —	\$ —
j. Excess Stock	\$ —	\$ —	\$ —
k. Aggregate Total (a+b+c+d)	<u>\$ 364,000</u>	<u>\$ 364,000</u>	<u>\$ —</u>
l. Actual or Estimated Borrowing Capacity as Determined by the Insurer	<u>\$ 74,328,752</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

3. Membership Stock Eligible for Redemption

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

C. Collateral pledged to the FHLB

Not applicable.

D. Borrowing from FHLB

Not applicable.

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

A. Defined Benefit Plans

The Company has a non-qualified, unfunded, retiree healthcare plan. The retiree health care plan was closed to new participants. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of March 31, 2017 and December 31, 2016, amounts held for these deferrals were \$.7 million and \$1.3 million, respectively.

NOTES TO FINANCIAL STATEMENTS

- B. Investment Policies and Strategies
Not applicable.
- C. Fair Value of Plan Assets
Not applicable.
- D. Basis of Rates of Returns on Assets
Not applicable.
- E. Defined Contribution Plans
No significant changes.
- F. Multiemployer Plans
Not applicable.
- G. Consolidated/Holding Company Plans
Not applicable.
- H. Postemployment Benefits and Compensated Absences
Not applicable.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04—17)
Not applicable.

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

- (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.
- (7) Not applicable.
- (8) Not applicable.
- (9) Not applicable.
- (10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$36.8 million and \$34.5 million at March 31, 2017 and December 31, 2016, respectively.
- (11) Not applicable.
- (12) Not applicable.
- (13) Not applicable.

14. Liabilities, Contingencies and Assessments

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

NOTES TO FINANCIAL STATEMENTS

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Not applicable.

15. Leases

No significant changes.

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

Not applicable.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

Not applicable.

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

A. ASO Plans

Not applicable.

B. ASC Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

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

Not applicable.

20. Fair Value Measurements

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

Level 1:

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

Level 2:

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

Level 3:

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

NOTES TO FINANCIAL STATEMENTS

(1) Fair Value Measurements at March 31, 2017:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Bonds:				
Industrial and Misc	\$ —	\$ 547,910	\$ —	\$ 547,910
Total Bonds	—	547,910	—	547,910
Common Stock:				
Mutual Funds	28,005,228	—	—	28,005,228
Industrial and Misc	47,788,501	364,000	231,471	48,383,972
Total Common Stocks	75,793,729	364,000	231,471	76,389,200
Other Invested Assets	6,906,108	10,054,966	—	16,961,074
Total assets at fair value	<u>\$ 82,699,837</u>	<u>\$ 10,966,876</u>	<u>\$ 231,471</u>	<u>\$ 93,898,184</u>
b. Liabilities at fair value:				
Not applicable.				

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	26,419,418	\$ —	\$ —	\$ 26,419,418
Industrial and Misc	47,982,333	364,000	231,471	48,577,804
Total Common Stocks	74,401,751	364,000	231,471	74,997,222
Other Invested Assets	6,729,426	10,021,671	—	16,751,097
Total assets at fair value	<u>\$ 81,131,177</u>	<u>\$ 10,385,671</u>	<u>\$ 231,471</u>	<u>\$ 91,748,319</u>
Liabilities at fair value:				
Not applicable.				

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

	Beginning Balance at 01/01/2017	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases (Sales)	Ending Balance at 03/01/2017
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 231,471	\$ —	\$ —	\$ —	\$ —	\$ 231,471
Total Assets	<u>\$ 231,471</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 231,471</u>
b. Liabilities:						
Not applicable.						

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

(4) As of March 31, 2017, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

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

B. Not applicable.

C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 137,156,975	\$ 135,087,093	\$ 9,013,658	\$ 128,143,317	\$ —	\$ —
Common Stock	76,389,200	76,389,200	75,793,729	364,000	231,471	—
Other Invested Assets	16,961,074	16,961,074	6,906,108	10,054,966	—	—
Short-Term Investments	3,500,567	3,500,567	—	3,500,567	—	—

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

NOTES TO FINANCIAL STATEMENTS

21. Other Items

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

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through May 15, 2017 for the statutory statement issued on May 15, 2017 for the quarter ending March 31, 2017. No Type I events were identified that would have a material effect on the financial condition of the Company.

Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through May 15, 2017 for the statutory statement issued on March 31, 2017 for the quarter ending March 31, 2017. No Type II events were identified that would have a material effect on the financial condition of the Company.

23. Reinsurance

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

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

NOTES TO FINANCIAL STATEMENTS

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2016 were \$48.1 million. During 2017, \$9.1 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 \$37.7 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$1.3 million favorable prior year development from December 31, 2016 to March 31, 2017. Favorable development in auto physical damage, homeowner, farmowner, other property and other liability lines of insurance were offset, in part, by unfavorable development in commercial auto liability and commercial multi-peril lines of insurance. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

26. Intercompany Pooling Agreements

No significant changes.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No significant changes.

31. High Deductibles

Not applicable.

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

No significant changes.

33. Asbestos/Environmental Reserves

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(1) Direct –					
1) Beginning reserves:	\$ 41	\$ 86	\$ 45	\$ 45	\$ 45
2) Incurred losses and loss adjustment expense:	96	39	0	8	2
3) Calendar year payments for losses and loss adjustment expenses:	<u>50</u>	<u>80</u>	<u>0</u>	<u>8</u>	<u>2</u>
4) Ending reserves:	<u>\$ 86</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 45</u>
(2) Assumed Reinsurance:					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

NOTES TO FINANCIAL STATEMENTS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(3) Net of Ceded Reinsurance:					
1) Beginning reserves:	\$ 41	\$ 86	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	54	(86)	—	—	—
3) Calendar year payments for loss and loss adjustment expenses:	<u>10</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ 86</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

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

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

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

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

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2016
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2011
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).11/26/2012
- 6.4 By what department or departments?
Ohio.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

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

9.11 If the response to 9.1 is No, please explain:

- 9.2 Has the code of ethics for senior managers been amended? Yes No

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

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

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

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No

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

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

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

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$343,109	\$349,841
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$343,109	\$349,841
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No

If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- | | |
|--|-----------|
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$0 |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$0 |
| 16.3 Total payable for securities lending reported on the liability page | \$0 |

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Eaton Vance Management.....	Two International Place Boston, MA 02110.....	Purchased in 2014, not accounted for by Northern Trust Company.....
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.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

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

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

17.5 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 A. Shutt.....
Adrian Besancon.....

17.5097 For those firms/individuals listed in the table for Question 17.5, 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 [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

17.6 For those firms or individuals listed in the table for 17.5 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

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

18.2 If no, list exceptions:
.....

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date – Allocated by States and Territories

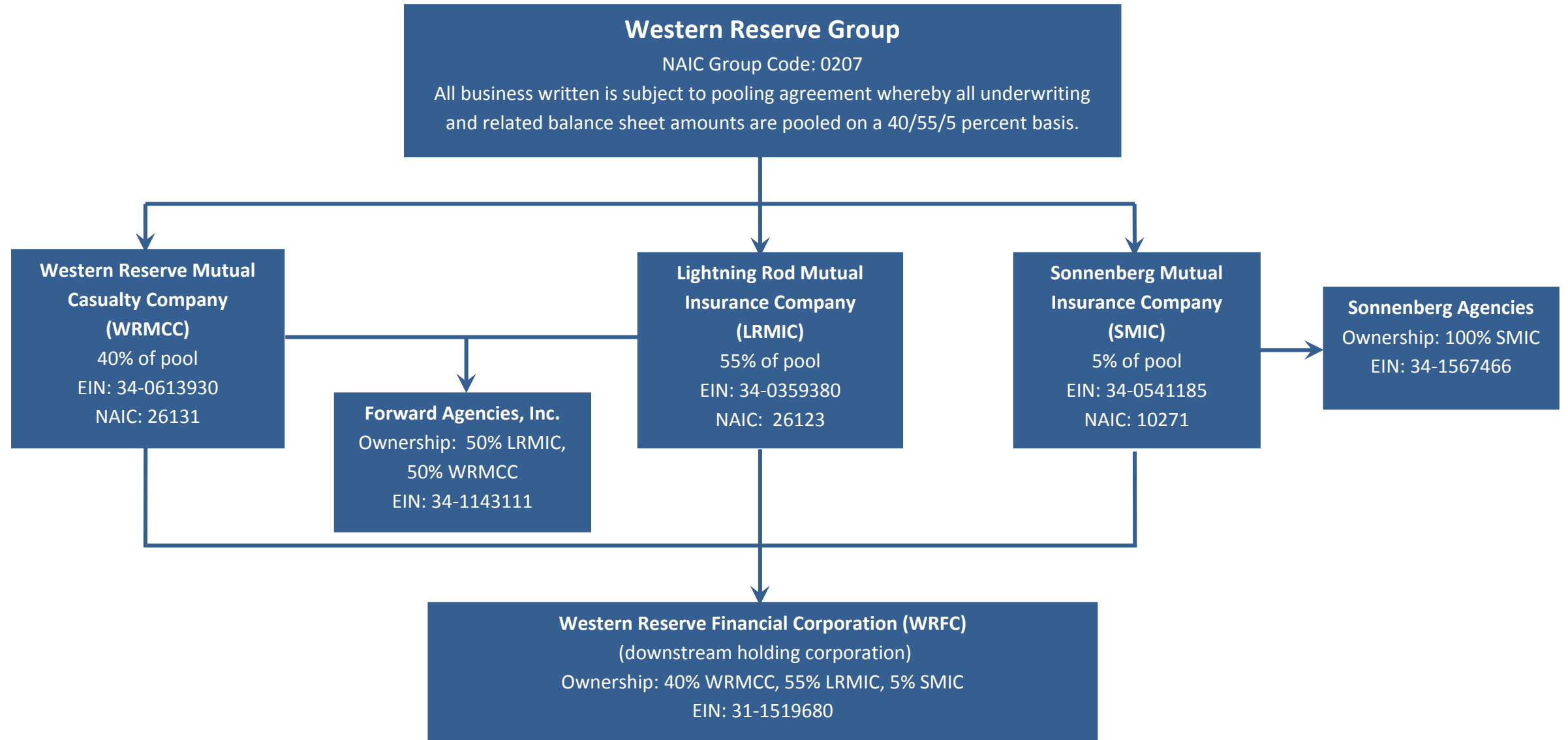
States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. Dist. Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	L	0	0	0	0	0	
15. Indiana	IN	L	5,749,092	6,090,129	2,606,370	2,305,868	6,632,618	4,470,123
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	16,325,469	16,416,247	6,813,823	5,181,467	24,267,570	22,406,736
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a)	4	22,074,561	22,506,376	9,420,193	7,487,335	30,900,188	26,876,859
DETAILS OF WRITE-INS								
58001.	XXX							
58002.	XXX							
58003.	XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX		0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile – see DSLI); (D) DSLI – Domestic Surplus Lines Insurer (DSLI) – Reporting entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART



STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	2,048		0.0	0.0
2. Allied lines	2,220		0.0	0.0
3. Farmowners multiple peril	5,355,845	2,061,107	38.5	21.2
4. Homeowners multiple peril	8,311,489	4,626,410	55.7	20.1
5. Commercial multiple peril	2,930,253	1,215,211	41.5	30.4
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	311,074	(6,046)	(1.9)	29.9
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	6,097		0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence	145,554	(499,591)	(343.2)	0.5
17.2 Other liability-claims made	18,515		0.0	224.4
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence	6,352		0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	2,094,415	1,169,274	55.8	29.2
19.3,19.4 Commercial auto liability	1,231,199	27,757	2.3	61.3
21. Auto physical damage	2,328,565	1,316,994	56.6	51.3
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft	11,648	7,809	67.0	0.0
27. Boiler and machinery	179,499	18,747	10.4	39.7
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	22,934,773	9,937,672	43.3	28.0
DETAILS OF WRITE-INS				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	3,351	3,351	1,904
2. Allied lines	3,884	3,884	1,444
3. Farmowners multiple peril	5,352,838	5,352,838	5,199,375
4. Homeowners multiple peril	6,503,984	6,503,984	7,167,006
5. Commercial multiple peril	3,114,452	3,114,452	3,023,685
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	366,448	366,448	340,668
10. Financial guaranty	0	0	0
11.1 Medical professional liability-occurrence	0	0	0
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	10,151	10,151	11,923
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability occurrence	177,525	177,525	161,061
17.2 Other liability-claims made	20,009	20,009	12,574
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	6,455	6,455	6,310
18.2 Products liability-claims made	0	0	0
19.1,19.2 Private passenger auto liability	2,297,728	2,297,728	2,402,193
19.3,19.4 Commercial auto liability	1,415,397	1,415,397	1,386,358
21. Auto physical damage	2,599,815	2,599,815	2,603,977
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	12,319	12,319	13,805
27. Boiler and machinery	190,205	190,205	174,093
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	22,074,561	22,074,561	22,506,376
DETAILS OF WRITE-INS			
3401.	0		0
3402.	0		0
3403.	0		0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2017 Loss and LAE Payments on Claims Reported as of Prior Year-End	2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2017 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2014 + Prior	9,488	701	10,189	1,255	2	1,257	6,707	0	710	7,417	(1,526)	11	(1,515)
2. 2015	11,427	667	12,094	1,279	24	1,303	9,554	10	729	10,293	(594)	96	(498)
3. Subtotals 2015 + prior	20,915	1,368	22,283	2,534	26	2,560	16,261	10	1,439	17,710	(2,120)	107	(2,013)
4. 2016	19,933	5,888	25,821	6,218	285	6,503	16,584	566	2,890	20,040	2,869	(2,147)	722
5. Subtotals 2016 + prior	40,848	7,256	48,104	8,752	311	9,063	32,845	576	4,329	37,750	749	(2,040)	(1,291)
6. 2017	XXX	XXX	XXX	XXX	8,127	8,127	XXX	7,060	3,545	10,605	XXX	XXX	XXX
7. Totals	40,848	7,256	48,104	8,752	8,438	17,190	32,845	7,636	7,874	48,355	749	(2,040)	(1,291)
8. Prior Year-End Surplus As Regards Policy-holders	163,800												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 1.8	2. (28.1)	3. (2.7)
													Col. 13, Line 7 Line 8
													4. (0.8)

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

- 1.
- 2.
- 3.

Bar Code:

1.	 2 6 1 2 3 2 0 1 7 4 9 0 0 0 0 0 1
2.	 2 6 1 2 3 2 0 1 7 4 5 5 0 0 0 0 1
3.	 2 6 1 2 3 2 0 1 7 3 6 5 0 0 0 0 1

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	4,516,742	5,054,153
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	55,362
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		11,481
5. Deduct amounts received on disposals		354,131
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other-than-temporary impairment recognized		0
8. Deduct current year's depreciation	59,330	250,123
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	4,457,412	4,516,742
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	4,457,412	4,516,742

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	16,751,097	9,129,764
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		6,985,000
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	209,977	636,333
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	16,961,074	16,751,097
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	16,961,074	16,751,097

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	207,834,612	200,327,812
2. Cost of bonds and stocks acquired	6,412,974	27,666,808
3. Accrual of discount	10,866	49,612
4. Unrealized valuation increase (decrease)	2,080,584	5,691,252
5. Total gain (loss) on disposals	914,428	2,401,062
6. Deduct consideration for bonds and stocks disposed of	5,175,681	27,424,712
7. Deduct amortization of premium	251,646	877,222
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	211,826,137	207,834,612
11. Deduct total nonadmitted amounts	349,841	343,110
12. Statement value at end of current period (Line 10 minus Line 11)	211,476,296	207,491,502

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	126,721,724	13,724,208	10,886,055	(370,686)	129,189,191	0	0	126,721,724
2. NAIC 2 (a).....	9,473,152			(622,591)	8,850,560	0	0	9,473,152
3. NAIC 3 (a).....	0			547,910	547,910	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	136,194,876	13,724,208	10,886,055	(445,367)	138,587,661	0	0	136,194,876
PREFERRED STOCK								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	136,194,876	13,724,208	10,886,055	(445,367)	138,587,661	0	0	136,194,876

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$3,500,567 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	3,500,567	XXX	3,500,567	3,471	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,700,597	1,916,394
2. Cost of short-term investments acquired	7,541,326	45,922,463
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	7,741,356	44,138,261
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,500,567	3,700,597
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	3,500,567	3,700,597

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828-N7-1	U S Treasury Inflation Note		03/14/2017	Northern Trust		1,082,123	1,050,000	650	1
912828-D5-6	U S Treasury Note		03/14/2017	Northern Trust		546,906	550,000	1,010	1
912828-V4-9	US Treasury Inflation Note		01/20/2017	Northern Trust		1,094,655	1,100,000	182	1
0599999 - Bonds - U.S. Governments						2,723,684	2,700,000	1,842	XXX
Bonds - U.S. States, Territories and Possessions									
677522-PN-8	Ohio St Consv Proj Ser A GO		01/13/2017	First Empire Securities Inc.		279,250	250,000		1FE
1799999 - Bonds - U.S. States, Territories and Possessions						279,250	250,000	0	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
101547-WF-0	Boulder Valley CO Sch Dist GO		03/17/2017	Raymond James & Associates, Inc.		444,788	400,000		1FE
117467-FL-9	Brushy Creek TX Regional Util Rev		03/23/2017	Raymond James & Associates, Inc.		354,957	300,000		1FE
147231-DJ-0	Cascade Cnty MT Elem Sch Dist 1 GO		02/08/2017	D A Davidson & Co.		243,752	200,000		1FE
132285-4B-0	City of Cambridge MA GO		03/02/2017	Raymond James & Associates, Inc.		494,236	400,000		1FE
431621-SM-4	Hilliard OH SD Impt Bnds GO		01/19/2017	Fifth Third Securities, Inc.		226,098	200,000		1FE
848797-PL-4	Spokane Cnty WA Sch Dist No 356		01/09/2017	D A Davidson & Co.		557,515	500,000	2,278	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						2,321,346	2,000,000	2,278	XXX
Bonds - U.S. Special Revenue									
354783-AJ-1	Franklin TN Wtr & Swr Sys Revenue		01/25/2017	FTN Financial Capital Markets		293,667	245,000		1FE
499818-K5-0	Knoxville TN Water Revenue		03/08/2017	FTN Financial Capital Markets		564,935	500,000		1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						858,602	745,000	0	XXX
8399997 - Subtotals - Bonds - Part 3						6,182,882	5,695,000	4,120	XXX
8399999 - Subtotals - Bonds						6,182,882	5,695,000	4,120	XXX
Common Stocks - Industrial and Miscellaneous									
29250N-10-5	Enbridge Inc.		02/27/2017	Stock Merger	12,166.176	230,093			L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						230,093	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						230,093	XXX	0	XXX
9799999 - Subtotals - Common Stocks						230,093	XXX	0	XXX
9899999 - Subtotals - Preferred and Common Stocks						230,093	XXX	0	XXX
9999999 Totals						6,412,974	XXX	4,120	XXX

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

E04

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Fore ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
30250R-AA-2	FDIC 20110-R1 TR CTF CI 1-A 144A		03/27/2017	PRINCIPAL RECEIPT		23,032	23,032	23,032	23,032						23,032				.92	05/25/2050	1
36295P-6H-0	GNMA Pool #676872		03/15/2017	PRINCIPAL RECEIPT		5,448	5,448	5,496	5,475		(27)		(27)		5,448				.37	03/15/2023	1
831641-ES-0	SBA SBIC 2010-10A 1 CMO		03/10/2017	PRINCIPAL RECEIPT		18,087	18,087	19,714	18,087		(892)		(892)		18,087				.368	03/10/2020	1
831641-EZ-4	SBA SBIC 2013-10B CL1 U S Treasury Inflation Note		03/10/2017	PRINCIPAL RECEIPT		79,604	79,604	83,079	82,254		(2,649)		(2,649)		79,604				1,438	09/10/2023	1
912828-GD-6			01/17/2017	MATURITY		1,197,830	1,000,000	1,002,255	1,198,600	(180,915)	70		(180,845)		1,017,755		180,075	180,075	14,224	01/15/2017	1
0599999 - Bonds - U.S. Governments																					
Bonds - U.S. States, Territories and Possessions																					
574192-P4-6	Maryland St St Loc Facs Ser A		03/01/2017	CALLED @ 100.000000		600,000	600,000	636,510	600,862		(862)		(862)		600,000				12,000	03/01/2019	1FE
1799999 - Bonds - U.S. States, Territories and Possessions																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
25009X-FN-0	Des Moines IA Series A		02/24/2017	Partial Call		30,000	30,000	30,000	30,000						30,000				208	06/01/2022	1FE
287299-HD-6	Eik Grove Village IL		01/03/2017	MATURITY		500,000	500,000	510,415	500,000						500,000				625	01/01/2017	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128M1-LA-5	FHLMC (Gold) Pool #G12221		03/15/2017	PRINCIPAL RECEIPT		3,001	3,001	3,001	3,001						3,001				.27	06/01/2021	1
31335H-5P-4	FHLMC (Gold) Pool #C90854		03/15/2017	PRINCIPAL RECEIPT		3,565	3,565	3,577	3,573		(8)		(8)		3,565				.33	09/01/2024	1
31294K-K5-3	FHLMC (Gold) Pool #E01216		03/15/2017	PRINCIPAL RECEIPT		2,125	2,125	2,141	2,122		3		3		2,125				.19	10/01/2017	1
3128M1-PA-1	FHLMC (Gold) Pool #G12317		03/15/2017	PRINCIPAL RECEIPT		2,913	2,913	2,913	2,913						2,913				.27	08/01/2021	1
312800-N9-4	FHLMC (Gold) Pool #J19416		03/15/2017	PRINCIPAL RECEIPT		24,398	24,398	25,069	24,963		(565)		(565)		24,398				.112	06/01/2027	1
3137AP-BD-1	FHLMC CMO 4033 EB		03/15/2017	PRINCIPAL RECEIPT		23,269	23,269	23,211	23,222		47		47		23,269				.80	10/15/2036	1
31326F-Y9-3	FHLMC Pool #2B1636		03/15/2017	PRINCIPAL RECEIPT		15,324	15,324	14,979	15,002		322		322		15,324				.62	08/01/2043	1
3128S2-QQ-7	FHLMC Pool #T61363		03/15/2017	PRINCIPAL RECEIPT		13,936	13,936	14,581	14,557		(621)		(621)		13,936				.75	09/01/2042	1
31371L-JU-4	FNMA Gtd Mtg Pool #255075		03/25/2017	PRINCIPAL RECEIPT		6,977	6,977	6,975	6,969		9		9		6,977				.63	02/01/2024	1
31402R-GM-5	FNMA Pool #735604		03/27/2017	PRINCIPAL RECEIPT		6,342	6,342	6,362	6,338		4		4		6,342				.53	06/01/2020	1
3136A1-4P-7	MA TR-2011-126		03/27/2017	PRINCIPAL RECEIPT		16,183	16,183	16,223	16,222		(39)		(39)		16,183				.56	08/25/2040	1
3136A2-VK-6	FNMA CMO TR-2011-126		03/27/2017	PRINCIPAL RECEIPT		22,584	22,584	22,584	22,569		15		15		22,584				.87	06/25/2040	1
31381P-C9-7	FNMA DUS Pool #466396		03/27/2017	PRINCIPAL RECEIPT		1,982	1,982	1,985	1,982						1,982				.12	11/01/2020	1
31371L-XW-4	FNMA Gtd Mtg Pool #25549		03/27/2017	PRINCIPAL RECEIPT		5,398	5,398	5,368	5,371		27		27		5,398				.48	10/01/2024	1
31416X-HY-9	FNMA Gtd Mtg Pool #AB2046		03/27/2017	PRINCIPAL RECEIPT		12,913	12,913	12,696	12,734		179		179		12,913				.69	01/01/2026	1
31418A-LY-2	FNMA Gtd Mtg Pool #MA1242		03/27/2017	PRINCIPAL RECEIPT		11,227	11,227	11,732	11,726		(499)		(499)		11,227				.50	11/01/2042	1
31418A-V5-4	FNMA Gtd Mtg Pool #MA1535		03/27/2017	PRINCIPAL RECEIPT		20,141	20,141	20,128	20,149		(8)		(8)		20,141				.64	08/01/2023	1
31418A-WS-3	FNMA Gtd Mtg Pool #MA1556		03/27/2017	PRINCIPAL RECEIPT		15,693	15,693	15,575	15,616		77		77		15,693				.48	08/01/2028	1
31371K-2X-8	FNMA Pool #254690		03/27/2017	PRINCIPAL RECEIPT		2,646	2,646	2,628	2,631		15		15		2,646				.23	04/01/2023	1
31385W-SB-6	FNMA Pool #555014		03/27/2017	PRINCIPAL RECEIPT		3,165	3,165	3,194	3,156		9		9		3,165				.28	11/01/2017	1
3136A1-6Y-6	AB TR-2013-70 CL-VA		03/27/2017	PRINCIPAL RECEIPT		146,430	146,430	150,732	148,450		(2,020)		(2,020)		146,430				3,081	08/25/2021	1
3136AE-24-2	FNMA TR 2013-70 CL-VA		03/27/2017	PRINCIPAL RECEIPT		10,562	10,562	11,104	11,028		(466)		(466)		10,562				.53	08/25/2026	1
558614-AJ-2	Madison WI Water Utlty Rev		01/03/2017	MATURITY		500,000	500,000	504,535	500,000						500,000				10,000	01/01/2017	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
8399997 - Subtotals - Bonds - Part 4																					
8399999 - Subtotals - Bonds																					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
084670-70-2	Berkshire Hathaway Inc		03/30/2017	Northern Trust		179,911	179,911	175,204	175,204	(144,067)			(144,067)		31,136		148,775	148,775		XXX	L
166764-10-0	Chevron Corporation		03/24/2017	Northern Trust		110,011	110,011	119,583	119,583	(63,947)			(63,947)		55,636		54,375	54,375	1,097	XXX	L
29250N-10-5	Enbridge Inc		03/27/2017	VARIOUS		505,840	505,840	230,093	230,093						230,093		275,748	275,748		XXX	L
478160-10-4	Johnson & Johnson		03/21/2017	Northern Trust		165,028	165,028	148,967	148,967	(64,265)			(64,265)		84,702		80,326	80,326	1,034	XXX	L
487836-10-8	Kellogg Company		03/24/2017	Northern Trust		164,998	164,998	166,732	166,732	(96,497)			(96,497)		70,235		94,763	94,763	1,176	XXX	L
742718-10-9	Procter & Gamble Co		02/10/2017	Northern Trust		165,036	165,036	157,482	157,482	(32,297)			(32,297)		125,185		39,851	39,851		XXX	L
847560-10-9	Spectra Energy Corp		02/27/2017	Stock Merger		230,093	230,093	508,037	508,037	(277,944)			(277,944)		230,093				5,440	XXX	L
61945C-10-3	The Mosaic Company		03/21/2017	Northern Trust		165,015	165,015	168,648	168,648	(10,005)			(10,005)		158,643		6,373	6,373	1,581	XXX	L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Common Stock - Mutual Funds																					
922908-55-3	Vanguard Reit ETF		03/30/2017	Northern Trust		164,974	164,974	130,832	165,968	(35,136)			(35,136)		130,832		34,142	34,142	1,197	XXX	L

EO5

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1 CUSIP Identi- fication	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
9299999	- Common Stocks - Mutual Funds					164,974	XXX	130,832	165,968	(35,136)	0	0	(35,136)	0	130,832	0	34,142	34,142	1,197	XXX	XXX
9799997	- Subtotals - Common Stocks - Part 4					1,850,907	XXX	1,116,554	1,610,619	(724,158)	0	0	(724,158)	0	1,116,554	0	734,353	734,353	11,526	XXX	XXX
9799999	- Subtotals - Common Stocks					1,850,907	XXX	1,116,554	1,610,619	(724,158)	0	0	(724,158)	0	1,116,554	0	734,353	734,353	11,526	XXX	XXX
9899999	- Subtotals - Preferred and Common Stocks					1,850,907	XXX	1,116,554	1,610,619	(724,158)	0	0	(724,158)	0	1,116,554	0	734,353	734,353	11,526	XXX	XXX
9999999 Totals						5,175,681	XXX	4,308,346	4,944,112	(905,073)	(7,878)	0	(912,951)	0	4,261,253	0	914,428	914,428	64,686	XXX	XXX

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

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<p>NONE</p>							
8699999 Total Cash Equivalents					0	0	0

E13



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2017

NAIC Group Code 02070

NAIC Company Code 26123

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

1. Monoline Policies

Table with 3 columns: 1 Direct Written Premium, 2 Direct Earned Premium, 3 Direct Losses Incurred. All values are \$ 0.

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [X] No []

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

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$4,862

2.32 Amount estimated using reasonable assumptions: \$

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