



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2017  
OF THE CONDITION AND AFFAIRS OF THE

LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code	00207	00207	NAIC Company Code	26123	Employer's ID Number	34-0359380
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	01/01/1906		Commenced Business	03/01/1906		
Statutory Home Office	1685 Cleveland Road		Wooster, OH, US 44691-0036			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	1685 Cleveland Road		Wooster, OH, US 44691-0036		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	1685 Cleveland Road		Wooster, OH, US 44691-0036			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1685 Cleveland Road		Wooster, OH, US 44691-0036		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Christopher M. Racz, CPA		330-262-9060-2446			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	Christopher_Racz@wrg-ins.com		330-264-7822			
	(E-Mail Address)		(Fax Number)			

OFFICERS

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

OTHER OFFICERS

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

DIRECTORS OR TRUSTEES

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

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

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

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

KEVIN W. DAY PRESIDENT AND SECRETARY -CHIEF EXECUTIVE OFFICER	MICHAEL A. SHUTT VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER	a. Is this an original filing? Yes [X] No [ ]
Subscribed and sworn to before me this 10 day of November, 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 SEPTEMBER 30, 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 .....	137,187,246	0	137,187,246	132,494,279
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	79,898,521	373,822	79,524,699	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) .....	4,343,010	0	4,343,010	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 (\$ .....35,134,134 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....3,722,138 ) .....	38,856,271	0	38,856,271	34,927,166
6. Contract loans (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	16,840,267	0	16,840,267	16,751,097
9. Receivables for securities .....	550,000	0	550,000	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) .....	277,675,316	373,822	277,301,493	263,686,506
13. Title plants less \$ ..... charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	1,503,890	0	1,503,890	1,462,415
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	15,921,141	44,052	15,877,090	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 .....	36,380	0	36,380	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 .....	251,679	0	251,679	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 (\$ ..... ) .....	606,513	606,513	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 .....	44,763	44,763	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	296,039,681	1,069,150	294,970,532	282,018,342
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27)	296,039,681	1,069,150	294,970,532	282,018,342
<b>DETAILS OF WRITE-INS</b>				
1101. ....		0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid Asset .....	44,763	44,763	0	0
2502. ....			0	0
2503. ....	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	44,763	44,763	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 21,612,131 )	44,042,412	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	3,412,443	3,825,235
5. Other expenses (excluding taxes, licenses and fees)	3,594,621	5,283,384
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,081,555	1,388,078
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	6,110,305	4,559,187
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 784,002 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)	56,172,567	52,786,332
10. Advance premium	986,591	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)	(416,186)	344,699
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	1,003,749	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)	124,264,281	118,218,153
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	124,264,281	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)	170,706,251	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)	170,706,251	163,800,189
38. Totals (Page 2, Line 28, Col. 3)	294,970,532	282,018,342
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 69,339,669 )	68,524,982	69,347,853	92,483,674
1.2 Assumed (written \$ 96,323,724 )	90,919,978	84,180,852	113,296,514
1.3 Ceded (written \$ 76,646,309 )	73,814,110	71,173,726	95,391,972
1.4 Net (written \$ 89,017,084 )	85,630,850	82,354,979	110,388,216
DEDUCTIONS:			
2. Losses incurred (current accident year \$ )::			
2.1 Direct	38,541,252	30,207,601	42,352,291
2.2 Assumed	55,206,750	49,888,617	67,589,107
2.3 Ceded	42,222,165	36,237,955	49,739,476
2.4 Net	51,525,837	43,858,263	60,201,922
3. Loss adjustment expenses incurred	8,127,969	7,906,891	11,608,184
4. Other underwriting expenses incurred	28,039,053	27,272,049	36,411,917
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	87,692,859	79,037,203	108,222,023
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(2,062,009)	3,317,775	2,166,193
INVESTMENT INCOME			
9. Net investment income earned	3,427,738	3,597,377	5,078,582
10. Net realized capital gains (losses) less capital gains tax of \$ 571,131	1,108,666	1,061,466	1,592,280
11. Net investment gain (loss) (Lines 9 + 10)	4,536,404	4,658,844	6,670,862
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 96,131 )	(96,131)	(68,749)	(90,518)
13. Finance and service charges not included in premiums	1,219,871	1,198,287	1,597,562
14. Aggregate write-ins for miscellaneous income	11,407	13,917	16,192
15. Total other income (Lines 12 through 14)	1,135,146	1,143,455	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)	3,609,542	9,120,074	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)	3,609,542	9,120,074	10,360,290
19. Federal and foreign income taxes incurred	620,819	984,080	1,335,511
20. Net income (Line 18 minus Line 19)(to Line 22)	2,988,723	8,135,994	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)	2,988,723	8,135,994	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 \$ 1,895,079	3,678,683	2,999,751	4,176,946
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	343,962	(794,224)	(970,783)
27. Change in nonadmitted assets	(20,416)	(119,999)	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	(84,889)	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	6,906,062	10,221,522	12,267,829
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	170,706,251	161,753,884	163,800,189
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	4,180	2,683	4,958
1402. Gain/(Loss) sale of Equipment	7,227	11,234	11,234
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	11,407	13,917	16,192
3701. Prior Period Adjustment to Surplus	(84,889)	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)	(84,889)	0	0

CASH FLOW

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	To Date	To Date	December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	88,570,340	85,015,869	112,242,965
2. Net investment income .....	4,086,689	3,984,277	5,981,969
3. Miscellaneous income .....	1,135,146	1,143,455	1,523,235
4. Total (Lines 1 to 3) .....	93,792,176	90,143,600	119,748,169
5. Benefit and loss related payments .....	46,969,768	40,382,111	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 .....	38,532,948	37,166,678	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).....	830,000	2,200,000	2,200,000
10. Total (Lines 5 through 9) .....	86,332,716	79,748,789	105,039,711
11. Net cash from operations (Line 4 minus Line 10) .....	7,459,460	10,394,811	14,708,458
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	8,871,004	12,038,993	14,854,186
12.2 Stocks .....	3,682,140	8,363,589	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 .....	178,239	190,864	3
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	12,731,383	20,593,446	27,778,846
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	14,262,441	13,019,605	20,929,178
13.2 Stocks .....	295,300	3,163,903	6,737,630
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	4,256	33,952	55,362
13.5 Other invested assets .....	825,000	6,985,000	6,985,000
13.6 Miscellaneous applications .....	550,000	2	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	15,936,997	23,202,462	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) .....	(3,205,614)	(2,609,015)	(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).....	(324,741)	(1,101,178)	(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).....	(324,741)	(1,101,178)	(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) .....	3,929,105	6,684,617	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) .....	38,856,271	34,802,776	34,927,165

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

	State of Domicile	2017	2016
<u>NET INCOME</u>			
(1) LRMIC state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$ 2,988,723	\$ 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>\$ 2,988,723</u>	<u>\$ 9,024,779</u>
<u>SURPLUS</u>			
(5) LRMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 170,706,251	\$ 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>\$ 170,706,251</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.

NOTES TO FINANCIAL STATEMENTS

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	\$ (23,363)
2. 12 months or Longer	\$ (19,981)

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

1. Less than 12 months	\$ (2,373,182)
2. 12 months or longer	\$ (905,129)

- 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 September 30, 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	\$1,335,217	\$1,164,989	NO
912828-HN-3	480,143	588,021	582,703	NO
912828-LA-6	503,326	597,150	573,851	NO
912828-S5-0	1,204,745	1,191,639	1,224,646	NO
912828-UH-1	479,490	528,913	516,612	NO
Total:	\$3,674,036	\$4,240,941	\$4,062,801	

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

7. Investment Income

No significant changes.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

No significant changes.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at September 30, 2017 and December 31, 2016 are as follows:

1.

	09/30/2017		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 6,838,194	\$ 1,253,746	\$ 8,091,940
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	6,838,194	1,253,746	8,091,940
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	6,838,194	1,253,746	8,091,490
(f) Deferred Tax Liabilities	(562,693)	(13,639,552)	(14,202,245)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)			
(h) (1e – 1f)	<u>\$ 6,275,501</u>	<u>\$ (12,385,806)</u>	<u>\$ (6,110,305)</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	\$ 497,582	\$ (106,067)	\$ 391,515
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	497,582	(106,067)	391,515
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	497,582	(106,067)	391,515
(f) Deferred Tax Liabilities	(32,107)	(1,910,523)	(1,942,634)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)			
(1e – 1f)	<u>\$ 465,473</u>	<u>\$ (2,016,590)</u>	<u>\$ (1,551,117)</u>

2. Admission Calculation Components SSAP No. 101

	09/30/2017		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 4,569,496	\$ —	\$ 4,569,496
(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)	569,936	—	569,936
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	569,936	—	569,936
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	25,247,231
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	1,698,761	1,253,746	2,952,508
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 6,838,194</u>	<u>\$ 1,253,746</u>	<u>\$ 8,091,940</u>



NOTES TO FINANCIAL STATEMENTS

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.	1,644,398	1,359,813 3,004,211
(h) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 6,340,612	\$ 1,359,813 \$ 7,700,425
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.		
\$ 408,990	\$ —	\$ 408,990
(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)		
34,228	—	34,228
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	34,228	— 34,228
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX 650,050
(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.	54,364	(106,067) (51,703)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 497,582	\$ (106,067) \$ 391,515
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.		
\$ 170,706,251	\$ 163,800,189	
4. Impact of Tax—Planning Strategies		
09/30/2017		
(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)	\$ 6,838,194	\$ 1,253,746
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)	\$ 6,838,194	\$ 1,253,746
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%

NOTES TO FINANCIAL STATEMENTS

		12/31/2016		
		(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%	
		Change		
		(5)	(6)	
		(Col 1-3) Ordinary	(Col 2-4) Capital	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.				
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 497,582	\$ (106,067)	
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)	\$ 497,582	\$ (106,067)	
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
(b) Does the Company's tax—planning strategies include the use of reinsurance?		Yes _____	No <u>X</u>	
B. The Company has no temporary differences for which deferred tax liabilities are not recognized.				
C. Current income taxes incurred consist of the following major components:				
		(1)	(2)	(3)
		09/30/2017	12/31/2016	(Col 1-2) Change
1.	Current Income Tax			
(a)	Federal	\$ 620,819	\$ 1,335,511	\$ (714,692)
(b)	Foreign	\$ —	\$ —	\$ —
(c)	Subtotal	\$ 620,819	\$ 1,335,511	\$ (714,692)
(d)	Federal income tax on net capital gains	\$ 571,131	\$ 820,265	\$ (249,134)
(e)	Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f)	Other	\$ —	\$ —	\$ —
(g)	Federal and foreign income taxes incurred	\$ 1,191,950	\$ 2,155,776	\$ (963,826)
2.	Deferred Tax Assets:			
(a)	Ordinary			
(1)	Discounting of unpaid losses	\$ 522,162	\$ 522,162	\$ —
(2)	Unearned premium reserve	\$ 3,819,735	\$ 3,589,469	\$ 230,266
(3)	Policyholder reserves	\$ —	\$ —	\$ —
(4)	Investments	\$ —	\$ —	\$ —
(5)	Deferred acquisition costs	\$ —	\$ —	\$ —
(6)	Policyholder dividends accrual	\$ —	\$ —	\$ —
(7)	Fixed assets	\$ 221,434	\$ 225,166	\$ (3,732)
(8)	Compensation and benefits accrual	\$ 436,589	\$ 376,420	\$ 60,169
(9)	Pension accrual	\$ 64,612	\$ 66,917	\$ (2,305)
(10)	Receivables – nonadmitted	\$ 14,978	\$ 14,746	\$ 232
(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	\$ 389,760	\$ 338,417	\$ 51,343
(16)	Other	\$ 263,582	\$ 101,970	\$ 161,612
(99)	Subtotal	\$ 6,838,194	\$ 6,340,612	\$ 497,582
(b)	Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c)	Nonadmitted	\$ —	\$ —	\$ —
(d)	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 6,838,194	\$ 6,340,612	\$ 497,582

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	09/30/2017	12/31/2016	(Col 1-2) Change
(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	\$ 1,234,118	\$ 1,340,185	\$ (106,067)
(6) Other	\$ 19,628	\$ 19,628	\$ —
(99) Subtotal	\$ 1,253,746	\$ 1,359,813	\$ (106,067)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ 1,253,746	\$ 1,359,813	\$ (106,067)
(i) Admitted deferred tax assets (2d + 2h)	\$ 8,091,940	\$ 7,700,425	\$ 391,514
	(1)	(2)	(3)
	09/30/2017	12/31/2016	(Col 1-2) Change
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (275,343)	\$ (282,671)	\$ 7,328
(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	\$ (270,710)	\$ (211,166)	\$ (59,544)
(7) Tax over book depreciation	\$ (16,640)	\$ (36,747)	\$ 20,107
(99) Subtotal	\$ (562,693)	\$ (530,583)	\$ (32,107)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (13,639,552)	\$ (11,729,029)	\$ (1,910,523)
(99) Subtotal	\$ (13,639,552)	\$ (11,729,029)	\$ (1,910,523)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ (14,202,245)	\$ (12,259,613)	\$ (1,942,632)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ (6,110,305)	\$ (4,559,187)	\$ (1,551,117)
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:			
	09/30/2017	Effective Tax Rate	
Provision computed at statutory rate	\$ 1,421,429	34.0%	
Tax exempt interest	(315,400)	(7.5%)	
Dividends received deduction	(202,388)	(4.8%)	
Change in deferred tax on nonadmitted assets	(3,501)	(0.1%)	
Other	(52,152)	(1.3%)	
Total	\$ 847,988	20.3%	
Federal and foreign income taxes incurred	\$ 620,819	14.8%	
Tax on capital gains (losses)	571,131	13.7%	
Change in net deferred income taxes	(343,962)	(8.2%)	
Total statutory income taxes	\$ 847,988	20.3%	
E. Carry—forwards, recoverable taxes, and IRS §6603 deposits:			
(1) As of September 30, 2017, the Company had no net operating loss or net capital loss carry—forwards available for tax purposes.			
As of September 30, 2017, the Company had no alternative minimum tax (AMT) credit carry—forwards.			
(2) As September 30, 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 September 30, 2017.			
F. The Company files an individual federal income tax return.			

NOTES TO FINANCIAL STATEMENTS

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At September 30, 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.

11. Debt

- A. The Company has no outstanding debentures at September 30, 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 September 30, 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 \$11,657,435. 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

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

(1)	(2)	(3)
Total	General	Separate
2 + 3	Account	Accounts
\$ —	\$ —	\$ —
\$ 338,422	\$ 338,422	\$ —
\$ —	\$ —	\$ —
\$ 25,578	\$ 25,578	\$ —
\$ 364,000	\$ 364,000	\$ —

- f. Actual or Estimated Borrowing Capacity as Determined by the Insurer

\$ 11,657,435 \$ XXX \$ XXX

2. Prior Year

- g. Membership Stock – Class A
- h. Membership Stock – Class B
- i. Activity Stock
- j. Excess Stock
- k. Aggregate Total (a+b+c+d)

(1)	(2)	(3)
Total	General	Separate
2 + 3	Account	Accounts
\$ —	\$ —	\$ —
\$ 364,000	\$ 364,000	\$ —
\$ —	\$ —	\$ —
\$ —	\$ —	\$ —
\$ 364,000	\$ 364,000	\$ —

- l. Actual or Estimated Borrowing Capacity as Determined by the Insurer

\$ 74,328,752 \$ XXX \$ XXX

NOTES TO FINANCIAL STATEMENTS

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 September 30, 2017 and December 31, 2016, amounts held for these deferrals were \$.8 million and \$1.3 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

E. Defined Contribution Plans

No significant changes.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

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

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$40.1 million and \$34.5 million at September 30, 2017 and December 31, 2016, respectively.

## NOTES TO FINANCIAL STATEMENTS

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

### 14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable.

B. Assessments

No significant changes.

C. Gain Contingencies

Not applicable.

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

No significant changes.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Not applicable.

### 15. Leases

No significant changes.

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

Not applicable.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

Not applicable.

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

A. ASO Plans

Not applicable.

B. ASC Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

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

Level 1:

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

Level 2:

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

Level 3:

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

(1) Fair Value Measurements at September 30, 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	\$ —	\$ 557,837	\$ —	\$ 557,837
Total Bonds	—	557,837	—	557,837
Common Stock:				
Mutual Funds	30,050,412	—	—	30,050,412
Industrial and Misc	48,878,817	364,000	231,471	49,474,288
Total Common Stocks	78,929,229	364,000	231,471	79,524,700
Other Invested Assets	6,807,498	10,032,769	—	16,840,267
Total assets at fair value	<u>\$ 85,736,727</u>	<u>\$ 10,954,606</u>	<u>\$ 231,471</u>	<u>\$ 94,795,744</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 09/30/2017
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.						

NOTES TO FINANCIAL STATEMENTS

- (3) The Company’s policy is to recognize transfers in and out as of the end of the reporting period.
- (4) As of September 30, 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	\$ 140,064,619	\$ 137,187,246	\$ 9,012,737	\$ 131,051,882	\$ —	\$ —
Common Stock	79,524,700	79,524,700	78,929,229	364,000	231,471	—
Other Invested Assets	16,840,267	16,840,267	6,807,498	10,032,769	—	—
Short-Term Investments	3,722,138	3,722,138	—	3,722,138	—	—

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

21. Other Items

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

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through November 15, 2017 for the statutory statement issued on November 15, 2017 for the quarter ending September 30, 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 November 15, 2017 for the statutory statement issued on November 15, 2017 for the quarter ending September 30, 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.



## NOTES TO FINANCIAL STATEMENTS

F. Retroactive Reinsurance

Not applicable.

G. Reinsurance Accounted for as a Deposit

Not applicable.

H. Disclosures for the Transfer of Property and Casualty Run—off Agreements

Not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable.

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

Not applicable.

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

Reserves as of December 31, 2016 were \$48.1 million. During 2017, \$18.6 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 \$25.5 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$4.0 million favorable prior year development from December 31, 2016 to September 30, 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.

NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves

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

	<u>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:	95	39	—	5	5
3) Calendar year payments for losses and loss adjustment expenses:	<u>50</u>	<u>80</u>	<u>—</u>	<u>5</u>	<u>10</u>
4) Ending reserves:	<u>\$ 86</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 40</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>
	<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>9</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.

NOTES TO FINANCIAL STATEMENTS

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

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

Yes ☐ No ☒
- 1.2

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

Yes ☐ No ☐
- 2.1

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

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

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

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

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

Yes ☐ No ☒
- 3.3

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

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

Yes ☐ No ☒
- 4.2

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

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

5.

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

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

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

12/31/2016
- 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.

12/31/2016
- 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).

10/25/2017
- 6.4

By what department or departments?

Ohio
- 6.5

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

Yes ☐ No ☐ NA ☒
- 6.6

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

Yes ☒ No ☐ NA ☐
- 7.1

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

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

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

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

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

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

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes [X] No [ ]

9.11

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

9.2

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

Yes [ ] No [X]

9.21

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

9.3

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

Yes [ ] No [X]

9.31

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

FINANCIAL

10.1

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

Yes [ ] No [X]

10.2

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

INVESTMENT

11.1

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

Yes [ ] No [X]

11.2

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

12.

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

13.

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

14.1

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

Yes [X] No [ ]

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....343,110	\$ .....373,822
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).....	\$ .....343,110	\$ .....373,822
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1

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

Yes [ ] No [X]

15.2

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

Yes [ ] No [ ]

If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

\$ .....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 ☒

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

1	2
Name of Custodian(s)	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	2	3
Name(s)	Location(s)	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.....	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 ☒

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

1	2	3	4
Old Custodian	New Custodian	Date of Change	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	2
Name of Firm or Individual	Affiliation
Michael A. Shutt.....	I.....
Adrian Bescancon.....	I.....

- 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 ☒

- 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 ☒

- 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	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	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 ☒ No ☐

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

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent .....

0.0 %

5.2 A&H cost containment percent .....

0.0 %

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

0.0 %

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

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

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

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

## 6

## 6

6

6



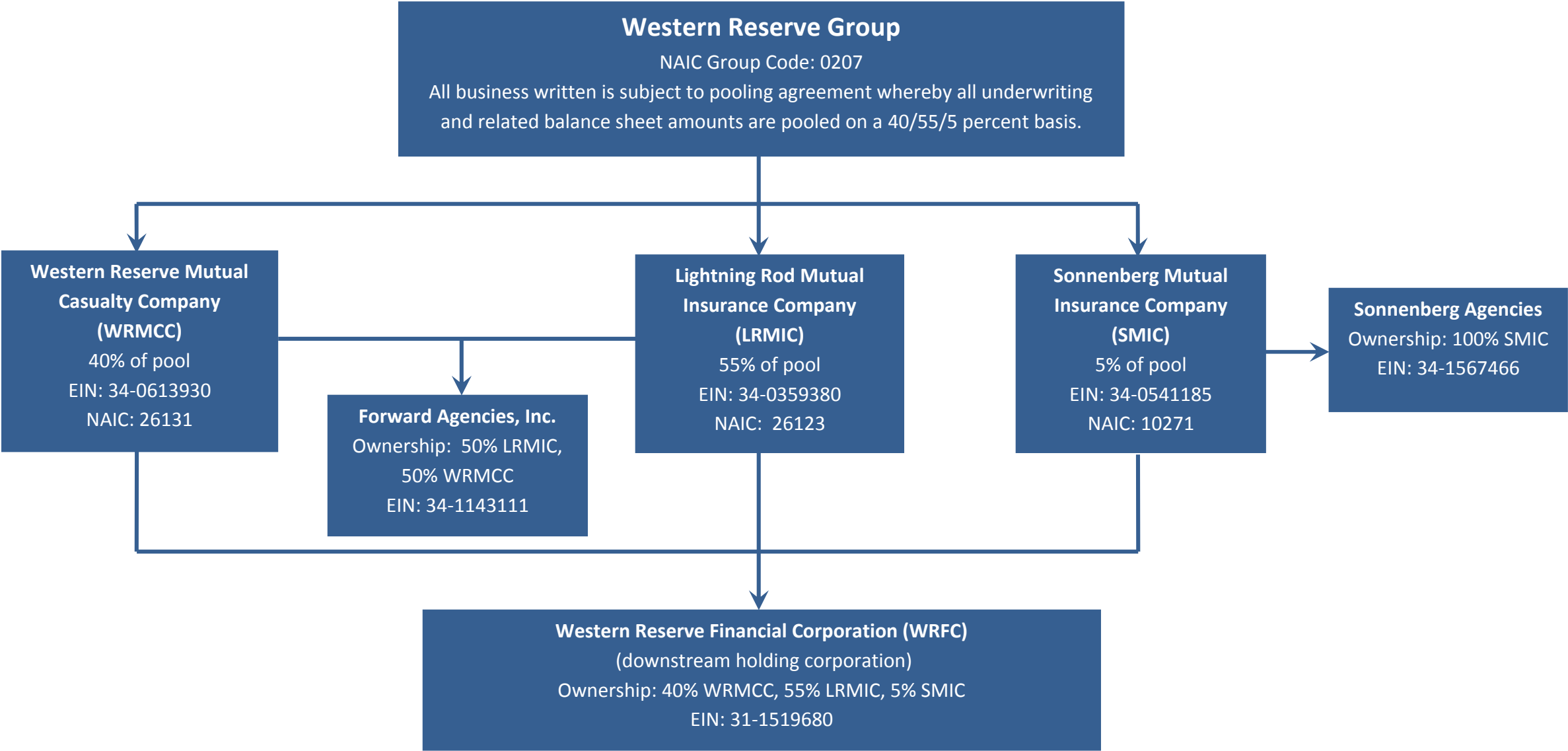
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date – Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL..N		0		0		0
2. Alaska	AK..N		0		0		0
3. Arizona	AZ..N		0		0		0
4. Arkansas	AR..N		0		0		0
5. California	CA..N		0		0		0
6. Colorado	CO..N		0		0		0
7. Connecticut	CT..N		0		0		0
8. Delaware	DE..N		0		0		0
9. Dist. Columbia	DC..N		0		0		0
10. Florida	FL..N		0		0		0
11. Georgia	GA..N		0		0		0
12. Hawaii	HI..N		0		0		0
13. Idaho	ID..N		0		0		0
14. Illinois	IL..L		0		0		0
15. Indiana	IN..L	18,396,879	19,606,716	12,947,875	9,701,599	8,445,638	5,274,886
16. Iowa	IA..N		0		0		0
17. Kansas	KS..N		0		0		0
18. Kentucky	KY..N		0		0		0
19. Louisiana	LA..N		0		0		0
20. Maine	ME..N		0		0		0
21. Maryland	MD..N		0		0		0
22. Massachusetts	MA..N		0		0		0
23. Michigan	MI..N		0		0		0
24. Minnesota	MN..N		0		0		0
25. Mississippi	MS..N		0		0		0
26. Missouri	MO..N		0		0		0
27. Montana	MT..N		0		0		0
28. Nebraska	NE..N		0		0		0
29. Nevada	NV..N		0		0		0
30. New Hampshire	NH..N		0		0		0
31. New Jersey	NJ..N		0		0		0
32. New Mexico	NM..N		0		0		0
33. New York	NY..N		0		0		0
34. No. Carolina	NC..N		0		0		0
35. No. Dakota	ND..N		0		0		0
36. Ohio	OH..L	50,942,790	51,552,471	22,758,645	18,236,361	24,771,802	24,929,323
37. Oklahoma	OK..N		0		0		0
38. Oregon	OR..N		0		0		0
39. Pennsylvania	PA..N		0		0		0
40. Rhode Island	RI..N		0		0		0
41. So. Carolina	SC..N		0		0		0
42. So. Dakota	SD..N		0		0		0
43. Tennessee	TN..L		0		0		0
44. Texas	TX..N		0		0		0
45. Utah	UT..N		0		0		0
46. Vermont	VT..N		0		0		0
47. Virginia	VA..N		0		0		0
48. Washington	WA..N		0		0		0
49. West Virginia	WV..N		0		0		0
50. Wisconsin	WI..N		0		0		0
51. Wyoming	WY..N		0		0		0
52. American Samoa	AS..N		0		0		0
53. Guam	GU..N		0		0		0
54. Puerto Rico	PR..N		0		0		0
55. U.S. Virgin Islands	VI..N		0		0		0
56. Northern Mariana Islands	MP..N		0		0		0
57. Canada	CAN..N		0		0		0
58. Aggregate Other Alien	OT..XXX	0	0	0	0	0	0
59. Totals	(a) 4	69,339,669	71,159,187	35,706,520	27,937,960	33,217,440	30,204,209
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



**SCHEDULE Y**

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

Asterisk	Explanation

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire	7,201	0	0.0	0.0
2.	Allied lines	7,909	3,239	41.0	27.3
3.	Farmowners multiple peril	16,075,666	7,626,066	47.4	28.2
4.	Homeowners multiple peril	24,313,951	15,875,295	65.3	45.5
5.	Commercial multiple peril	8,909,989	5,134,554	57.6	50.3
6.	Mortgage guaranty	0		0.0	0.0
8.	Ocean marine	0		0.0	0.0
9.	Inland marine	930,516	107,147	11.5	21.5
10.	Financial guaranty	0		0.0	0.0
11.1	Medical professional liability -occurrence	0		0.0	0.0
11.2	Medical professional liability -claims made	0		0.0	0.0
12.	Earthquake	18,774	0	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	446,244	(499,589)	(112.0)	0.2
17.2	Other liability-claims made	59,625	(16,250)	(27.3)	119.1
17.3	Excess Workers' Compensation	0		0.0	0.0
18.1	Products liability-occurrence	18,602	800	4.3	(7.8)
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	6,283,723	4,356,449	69.3	55.6
19.3,19.4	Commercial auto liability	3,815,240	2,359,058	61.8	47.4
21.	Auto physical damage	7,047,645	3,505,650	49.7	56.1
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft	34,187	7,809	22.8	0.0
27.	Boiler and machinery	555,710	81,024	14.6	37.9
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	68,524,982	38,541,252	56.2	43.6
DETAILS OF WRITE-INS					
3401.			0	0.0	0.0
3402.			0	0.0	0.0
3403.			0	0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	1,864	9,977	6,668
2.	Allied lines	2,380	10,292	6,130
3.	Farmowners multiple peril	5,172,183	16,102,268	16,079,147
4.	Homeowners multiple peril	8,288,405	23,977,180	26,669,040
5.	Commercial multiple peril	2,862,048	9,147,437	8,757,551
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	267,018	965,550	889,645
10.	Financial guaranty	0		0
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	4,412	20,282	20,872
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	0		0
17.1	Other liability occurrence	132,085	479,790	448,572
17.2	Other liability-claims made	17,233	65,730	53,268
17.3	Excess Workers' Compensation	0		0
18.1	Products liability-occurrence	8,645	19,786	27,106
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	2,276,550	6,515,325	6,690,582
19.3,19.4	Commercial auto liability	1,096,983	4,038,038	3,680,250
21.	Auto physical damage	2,487,765	7,359,208	7,254,679
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	10,048	33,411	36,763
27.	Boiler and machinery	195,105	595,395	538,914
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	22,822,724	69,339,669	71,159,187
DETAILS OF WRITE-INS				
3401.		0		0
3402.		0		0
3403.		0		0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 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	3,157	12	3,169	4,648	54	237	4,939	(1,683)	(398)	(2,081)
2. 2015 .....	11,427	667	12,094	3,761	80	3,841	6,569	296	342	7,207	(1,097)	51	(1,046)
3. Subtotals 2015 + prior .....	20,915	1,368	22,283	6,918	92	7,010	11,217	350	579	12,146	(2,780)	(347)	(3,127)
4. 2016 .....	19,933	5,888	25,821	10,193	1,409	11,602	10,953	1,243	1,107	13,303	1,213	(2,129)	(916)
5. Subtotals 2016 + prior .....	40,848	7,256	48,104	17,111	1,501	18,612	22,170	1,593	1,686	25,449	(1,567)	(2,476)	(4,043)
6. 2017 .....	XXX	XXX	XXX	XXX	36,824	36,824	XXX	21,418	5,451	26,869	XXX	XXX	XXX
7. Totals .....	40,848	7,256	48,104	17,111	38,325	55,436	22,170	23,011	7,137	52,318	(1,567)	(2,476)	(4,043)
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. (3.8)	2. (34.1)	3. (8.4)
											Col. 13, Line 7 Line 8		
											4. (2.5)		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

- 1.
- 2.
- 3.

Bar Code:

1.



26123201749000003

2.



26123201745500003

3.



26123201736500003

**OVERFLOW PAGE FOR WRITE-INS**

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SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	4,516,742	5,054,153
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	4,256	55,362
2.2 Additional investment made after acquisition .....		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 .....	177,988	250,123
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	4,343,010	4,516,742
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	4,343,010	4,516,742

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	16,751,097	9,129,764
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	825,000	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) .....	(735,830)	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) .....	16,840,267	16,751,097
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	16,840,267	16,751,097

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	207,834,612	200,327,812
2. Cost of bonds and stocks acquired .....	14,206,683	27,666,808
3. Accrual of discount .....	32,598	49,612
4. Unrealized valuation increase (decrease) .....	6,309,593	5,691,252
5. Total gain (loss) on disposals .....	1,679,797	2,401,062
6. Deduct consideration for bonds and stocks disposed of .....	12,202,336	27,424,712
7. Deduct amortization of premium .....	775,176	877,222
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other-than-temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	217,085,771	207,834,612
11. Deduct total nonadmitted amounts .....	373,822	343,110
12. Statement value at end of current period (Line 10 minus Line 11)	216,711,949	207,491,502



STATEMENT AS OF SEPTEMBER 30, 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
<b>BONDS</b>								
1. NAIC 1 (a).....	133,463,046	11,516,749	11,816,343	(585,594)	129,189,191	133,463,046	132,577,857	126,721,724
2. NAIC 2 (a).....	7,786,129			(12,438)	8,850,560	7,786,129	7,773,691	9,473,152
3. NAIC 3 (a).....	562,202			(4,364)	547,910	562,202	557,837	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	141,811,376	11,516,749	11,816,343	(602,396)	138,587,661	141,811,376	140,909,385	136,194,876
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	0				0	0	0	0
9. NAIC 2 .....	0				0	0	0	0
10. NAIC 3 .....	0				0	0	0	0
11. NAIC 4 .....	0				0	0	0	0
12. NAIC 5 .....	0				0	0	0	0
13. NAIC 6 .....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	141,811,376	11,516,749	11,816,343	(602,396)	138,587,661	141,811,376	140,909,385	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 \$ .....3,722,137 ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	3,722,137	XXX	3,722,137	18,298	

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	1,916,395
2. Cost of short-term investments acquired .....	23,164,212	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 .....	23,142,671	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).....	3,722,138	3,700,597
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	3,722,138	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

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**

## SCHEDULE A - PART 2

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

[illegible]

## SCHEDULE A - PART 3

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

[illegible]

EO1

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**

## SCHEDULE B - PART 2

**Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter**

[illegible]

## SCHEDULE B - PART 3

**Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter**

[illegible]

EO2

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**

## SCHEDULE BA - PART 2

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

[illegible]

## SCHEDULE BA - PART 3

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

[illegible]

E03

## E04

[illegible]

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

STATEMENT AS OF SEPTEMBER 30, 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	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
30250R-AA-2	FDIC 20110-R1 TR CTF CI		09/25/2017			31,217	31,217	31,217	31,217				0		31,217			0	450	05/25/2050	1
36295P-6H-0	1-A 144A		09/15/2017			13,283	13,283	13,400	13,348		(65)		(65)		13,283			0	397	03/15/2023	1
831641-ES-0	GNMA Pool #676872		09/11/2017			46,877	46,877	51,095	49,188		(2,311)		(2,311)		46,877			0	1,926	03/10/2020	1
831641-EZ-4	SBA SBIC 2010-10A 1 CMO		09/11/2017			123,548	123,548	128,941	127,660		(4,112)		(4,112)		123,548			0	4,502	09/10/2023	1
0599999 - Bonds - U.S. Governments						214,926	214,926	224,653	221,414	0	(6,488)	0	(6,488)	0	214,926	0	0	0	7,275	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
25009X-FN-0	Des Moines IA Series A		08/21/2017	Partial Call		160,000	160,000	160,000	160,000				0		160,000			0	2,750	06/01/2022	1FE
478718-D3-0	Johnson Cnty KS Unif Sch Dist #233		09/01/2017	MATURITY		600,000	600,000	645,678	606,913		(6,913)		(6,913)		600,000			0	20,400	09/01/2017	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						760,000	760,000	805,678	766,913	0	(6,913)	0	(6,913)	0	760,000	0	0	0	23,150	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128M1-LA-5	FHLMC (Gold) Pool #G12221		09/15/2017			2,839	2,839	2,839	2,839				0		2,839			0	104	06/01/2021	1
31335H-5P-4	FHLMC (Gold) Pool #C90854		09/15/2017			3,340	3,340	3,351	3,347		(7)		(7)		3,340			0	121	09/01/2024	1
31294K-K5-3	FHLMC (Gold) Pool #E01216		09/15/2017			1,362	1,362	1,373	1,361		2		2		1,362			0	50	10/01/2017	1
3128M1-PA-3	FHLMC (Gold) Pool #G12317		09/15/2017			2,365	2,365	2,365	2,365				0		2,365			0	86	08/01/2021	1
312800-N9-4	FHLMC (Gold) Pool #J19416		09/15/2017			15,132	15,132	15,548	15,482		(350)		(350)		15,132			0	299	06/01/2027	1
3137AP-BD-1	FHLMC CMO 4033 EB		09/15/2017			18,054	18,054	18,009	18,017		37		37		18,054			0	242	10/15/2036	1
31326F-Y9-3	FHLMC Pool #2B1636		09/15/2017			24,734	24,734	24,178	24,214		520		520		24,734			0	367	08/01/2043	1
3128S2-OQ-7	FHLMC Pool #T61363		09/15/2017			7,449	7,449	7,794	7,781		(332)		(332)		7,449			0	174	09/01/2042	1
31371L-JU-4	FNMA Gtd Mtg Pool #255075		09/25/2017			4,974	4,974	4,973	4,968		6		6		4,974			0	182	02/01/2024	1
31402R-GM-5	FNMA Pool #735604		09/25/2017			4,873	4,873	4,888	4,870		3		3		4,873			0	162	06/01/2020	1
3136A1-4P-7	FNMA CMO FNR 2011-117 CL-MA		09/25/2017			22,677	22,677	22,734	22,732		(55)		(55)		22,677			0	303	08/25/2040	1
3136A2-VK-6	FNMA CMO TR-2011-126		09/25/2017			14,684	14,684	14,684	14,674		10		10		14,684			0	247	06/25/2040	1
31381P-C9-7	FNMA DUS Pool #466396		09/25/2017			1,934	1,934	1,938	1,934		0		0		1,934			0	46	11/01/2020	1
31371L-XW-4	FNMA Gtd Mtg Pool #25549		09/25/2017			3,447	3,447	3,427	3,429		17		17		3,447			0	127	10/01/2024	1
31416X-HY-9	FNMA Gtd Mtg Pool #AB2046		09/25/2017			9,539	9,539	9,378	9,407		132		132		9,539			0	191	01/01/2026	1
31418A-LY-2	FNMA Gtd Mtg Pool #MA1242		09/25/2017			5,018	5,018	5,244	5,242		(223)		(223)		5,018			0	112	11/01/2042	1
31418A-V5-4	FNMA Gtd Mtg Pool #MA1535		09/25/2017			20,468	20,468	20,455	20,476		(8)		(8)		20,468			0	272	08/01/2023	1
31418A-WS-3	FNMA Gtd Mtg Pool #MA1556		09/25/2017			7,483	7,483	7,427	7,447		37		37		7,483			0	125	08/01/2028	1
31371K-2X-8	FNMA Pool #254690		09/25/2017			2,575	2,575	2,557	2,560		15		15		2,575			0	93	04/01/2023	1
31385W-SB-6	FNMA Pool #555014		09/25/2017			1,961	1,961	1,980	1,956		5		5		1,961			0	71	11/01/2017	1
3136A1-6Y-6	AB		09/01/2017	VARIOUS		21,399	21,399	22,027	21,694		(295)		(295)		21,399			0	1,778	08/25/2021	1
3136AE-Z4-2	FNMA TR 2013-70 CL-VA		09/25/2017	PRINCIPAL RECEIPT		10,722	10,722	11,271	11,194		(473)		(473)		10,722			0	215	08/25/2026	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						207,029	207,029	208,439	207,989	0	(959)	0	(959)	0	207,029	0	0	0	5,365	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
38143A-XU-4	Goldman Sachs Bank - CD		08/01/2017	MATURITY		245,000	245,000	245,000	245,000				0		245,000			0	4,410	08/01/2017	1
38144L-AB-6	Goldman Sachs Group Inc.		09/01/2017	MATURITY		400,000	400,000	442,154	404,847		(4,847)		(4,847)		400,000			0	25,000	09/01/2017	1FE
478160-AQ-7	Johnson & Johnson		08/15/2017	MATURITY		500,000	500,000	507,300	500,577		(577)		(577)		500,000			0	27,750	08/15/2017	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,145,000	1,145,000	1,194,454	1,150,425	0	(5,425)	0	(5,425)	0	1,145,000	0	0	0	57,160	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						2,326,955	2,326,955	2,433,224	2,346,740	0	(19,785)	0	(19,785)	0	2,326,955	0	0	0	92,949	XXX	XXX
8399999 - Subtotals - Bonds						2,326,955	2,326,955	2,433,224	2,346,740	0	(19,785)	0	(19,785)	0	2,326,955	0	0	0	92,949	XXX	XXX
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
88579Y-10-1	3M Company		09/29/2017	Northern Trust	573,000	120,105	XXX	32,970	102,321	(69,350)			(69,350)		32,970		87,134	87,134	2,020	XXX	L
038222-10-5	Applied Material Inc.		07/12/2017	Northern Trust	2,439,000	110,018	XXX	24,707	78,707	(53,999)			(53,999)		24,707		85,311	85,311	488	XXX	L
097023-10-5	Boeing Company		08/10/2017	Northern Trust	771,000	179,819	XXX	28,280	120,029	(91,749)			(91,749)		28,280		151,539	151,539	2,190	XXX	L
263534-10-9	DuPont (El) DeNemours		09/01/2017	Stock Merger / Exchange	12,000,000	65,207	XXX	65,207	880,800	(815,593)			(815,593)		65,207		0	0	13,680	XXX	L
370334-10-4	General Mills		07/12/2017	Northern Trust	3,082,000	164,962	XXX	71,604	190,375	(118,771)			(118,771)		71,604		93,358	93,358	4,086	XXX	L
458140-10-0	Intel Corp		07/12/2017	Northern Trust	4,827,000	65,023	XXX	70,764	175,075	(104,311)			(104,311)		70,764		94,259	94,259	2,570	XXX	L
487836-10-8	Kellogg Company		09/29/2017	Northern Trust	1,765,000	109,981	XXX	54,803	130,098	(75,295)			(75,295)		54,803		55,178	55,178	2,789	XXX	L
713448-10-8	PepsiCo Inc.		07/12/2017	Northern Trust	959,000	109,995	XXX	37,842	100,340	(62,498)			(62,498)		37,842		72,153	72,153	2,215	XXX	L
384802-10-4	W W Grainger Inc.		07/11/2017	Northern Trust	672,000	118,623	XXX	136,140	156,072	(19,932)			(19,932)		136,140		(17,517)	(17,517)	1,680	XXX	L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						1,143,733	XXX	522,318	1,933,817	(1,411,499)	0	0	(1,411,499)	0	522,318	0	621,415	621,415	31,717	XXX	XXX
Common Stock - Mutual Funds																					
256206-10-3	Dodge & Cox Intl Stk FD		09/29/2017	Northern Trust	15,144,650	687,500	XXX	552,477	577,011	(24,534)			(24,534)		552,477		135,023	135,023		XXX	U



# STATEMENT AS OF SEPTEMBER 30, 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**

[illegible]

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....1.

## 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



SCHEDULE E - PART 2 - CASH EQUIVALENTS

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



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2017 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

NAIC Group Code 02070 Year To Date For The Period Ended 2017 NAIC Company Code 26123

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

1. Monoline Policies

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

2. Commercial Multiple Peril (CMP) Packaged Policies

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

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

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

2.31 Amount quantified:

\$ .....15,376

2.32 Amount estimated using reasonable assumptions:

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

\$ .....0