



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF JUNE 30, 2018  
OF THE CONDITION AND AFFAIRS OF THE

## WESTERN RESERVE MUTUAL CASUALTY COMPANY

NAIC Group Code	00207 (Current Period)	00207 (Prior Period)	NAIC Company Code	26131	Employer's ID Number	34-0613930
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	06/29/1937		Commenced Business	07/30/1937		
Statutory Home Office	1685 Cleveland Road (Street and Number)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)			
Main Administrative Office	1685 Cleveland Road (Street and Number)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Mail Address	1685 Cleveland Road (Street and Number or P.O. Box)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1685 Cleveland Road (Street and Number)		Wooster, OH, US 44691-0036 (City or Town, State, Country and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Christopher M. Racz, CPA (Name)		330-262-9060-2446 (Area Code) (Telephone Number) (Extension)			
	Christopher Racz@wrg-ins.com (E-Mail Address)		800-563-9896 (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
GREGORY A. BRUNN	VICE PRESIDENT INSURANCE OPERATIONS-COO	WILLIAM J. GALONSKI #	VICE PRESIDENT-CHIEF CLAIMS OFFICER
LEO S. GENDERS #	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 OFFICERMICHAEL A. SHUTT  
VICE PRESIDENT AND TREASURER -CHIEF  
FINANCIAL OFFICER

a. Is this an original filing? Yes [X] No [ ]

b. If no:  
1. State the amendment number  
2. Date filed  
3. Number of pages attachedSubscribed and sworn to before me this  
15 day of August, 2018Anita M. Bille, Notary Public  
February 23, 2022

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY 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 .....	109,891,993	0	109,891,993	109,413,280
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	55,818,264	359,078	55,459,186	57,291,116
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) .....	8,834,682	0	8,834,682	7,030,672
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 (\$ .....(31,274,780) ), cash equivalents (\$ .....2,262,873 ) and short-term investments (\$ .....0 ) .....	(29,011,907)	0	(29,011,907)	(24,211,705)
6. Contract loans (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	13,498,904	1,202,350	12,296,554	12,265,175
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	159,031,936	1,561,428	157,470,507	161,788,538
13. Title plants less \$ ..... charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	1,176,342	0	1,176,342	1,153,821
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	38,612,638	154,636	38,458,002	36,200,230
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 .....	98,698	0	98,698	13,115
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	560,947
18.2 Net deferred tax asset .....	2,153,096	0	2,153,096	1,181,012
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	24,112,729	21,676,433	2,436,295	2,386,225
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	286,181	286,181	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 .....	22,711	0	22,711	35,344
24. Health care (\$ ..... ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	225,494,331	23,678,679	201,815,652	203,319,232
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	225,494,331	23,678,679	201,815,652	203,319,232
<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 Expense .....	0	0	0	0
2502. .....		0	0	0
2503. .....	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	0	0	0	0

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 11,096,920 )	.31,254,926	32,803,037
2. Reinsurance payable on paid losses and loss adjustment expenses	.0	0
3. Loss adjustment expenses	5,987,264	5,987,264
4. Commissions payable, contingent commissions and other similar charges	2,136,829	2,434,063
5. Other expenses (excluding taxes, licenses and fees)	1,940,536	3,261,138
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	534,018	980,312
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	409,395	0
7.2 Net deferred tax liability	.0	0
8. Borrowed money \$ and interest thereon \$	.0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	.40,947,243	39,867,772
10. Advance premium	.708,720	504,760
11. Dividends declared and unpaid:		
11.1 Stockholders	.0	0
11.2 Policyholders	.0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(237,965)	212,432
13. Funds held by company under reinsurance treaties	.0	0
14. Amounts withheld or retained by company for account of others	.837,704	647,917
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	894,927
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	.84,518,670	87,593,622
27. Protected cell liabilities	.0	0
28. Total liabilities (Lines 26 and 27)	.84,518,670	87,593,622
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)	117,296,982	115,725,610
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)	117,296,982	115,725,610
38. Totals (Page 2, Line 28, Col. 3)	201,815,652	203,319,232
<b>DETAILS OF WRITE-INS</b>		
2501. Other Liabilities	.0	894,927
2502.	.0	0
2503.	.0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	.0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	894,927
2901.	.0	0
2902.	.0	0
2903.	.0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	.0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	.0	0
3202.	.0	0
3203.	.0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	.0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 49,711,158 )	49,079,642	47,964,300	96,784,076
1.2 Assumed (written \$ 43,901,716 )	42,822,245	41,257,171	83,478,562
1.3 Ceded (written \$ 49,711,158 )	49,079,642	47,964,300	96,784,076
1.4 Net (written \$ 43,901,716 )	42,822,245	41,257,171	83,478,562
DEDUCTIONS:			
2. Losses incurred (current accident year \$ ):			
2.1 Direct	24,069,868	24,681,157	54,143,432
2.2 Assumed	21,719,343	24,456,299	50,214,986
2.3 Ceded	24,069,868	24,681,157	54,143,432
2.4 Net	21,719,343	24,456,299	50,214,986
3. Loss adjustment expenses incurred	3,967,845	3,979,738	8,094,206
4. Other underwriting expenses incurred	14,001,334	13,469,322	27,096,910
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	39,688,522	41,905,359	85,406,102
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	3,133,722	(648,188)	(1,927,540)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,784,374	1,694,617	3,850,365
10. Net realized capital gains (losses) less capital gains tax of \$ 46,808	176,087	471,235	1,524,207
11. Net investment gain (loss) (Lines 9 + 10)	1,960,461	2,165,852	5,374,572
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 35,422 )	(35,422)	(45,377)	(89,423)
13. Finance and service charges not included in premiums	586,644	593,561	1,185,755
14. Aggregate write-ins for miscellaneous income	546	5,775	3,642
15. Total other income (Lines 12 through 14)	551,768	553,959	1,099,974
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,645,951	2,071,623	4,547,007
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)	5,645,951	2,071,623	4,547,007
19. Federal and foreign income taxes incurred	1,173,535	445,633	164,603
20. Net income (Line 18 minus Line 19)(to Line 22)	4,472,417	1,625,990	4,382,404
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	115,725,610	111,391,094	111,391,094
22. Net income (from Line 20)	4,472,417	1,625,990	4,382,404
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 \$ (370,890)	(1,395,253)	1,538,786	3,488,362
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	601,194	811,296	423,464
27. Change in nonadmitted assets	(2,106,986)	(1,567,065)	(3,897,974)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	(61,737)	(61,737)
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,571,371	2,347,270	4,334,517
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	117,296,982	113,738,364	115,725,610
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. <b>TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)</b>	0	0	0
1401. Other Income	.546	5,775	3,642
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. <b>TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)</b>	546	5,775	3,642
3701. Prior Period Adjustment	0	(61,737)	(61,737)
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. <b>TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)</b>	0	(61,737)	(61,737)

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	41,348,060	40,499,382	82,253,965
2. Net investment income.....	2,117,532	1,984,176	4,786,582
3. Miscellaneous income.....	551,768	553,959	1,099,974
4. Total (Lines 1 to 3).....	44,017,360	43,037,517	88,140,521
5. Benefit and loss related payments.....	23,353,037	22,257,031	46,115,945
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.....	19,964,397	20,135,315	36,197,831
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	250,000	700,000	700,000
10. Total (Lines 5 through 9).....	43,567,434	43,092,346	83,013,776
11. Net cash from operations (Line 4 minus Line 10).....	449,926	(54,829)	5,126,745
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	5,350,758	5,408,108	10,440,056
12.2 Stocks.....	576,207	1,335,388	4,131,649
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	63,364	61,460	157,320
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	112,612	111,614	27,073
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	6,102,942	6,916,570	14,756,099
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	6,178,323	8,667,748	17,983,588
13.2 Stocks.....	393,542	167,301	223,626
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	1,920,969	30,164	342,862
13.5 Other invested assets.....	100,000	0	1,000,000
13.6 Miscellaneous applications.....	0	0	27,262
13.7 Total investments acquired (Lines 13.1 to 13.6).....	8,592,834	8,865,213	19,577,338
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(2,489,892)	(1,948,643)	(4,821,240)
<b>Cash from Financing and Miscellaneous Sources</b>			
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).....	(2,760,236)	(2,535,104)	(4,455,183)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(2,760,236)	(2,535,104)	(4,455,183)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(4,800,202)	(4,538,576)	(4,149,678)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(24,211,705)	(20,062,027)	(20,062,027)
19.2 End of period (Line 18 plus Line 19.1).....	(29,011,907)	(24,600,603)	(24,211,705)

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

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

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

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

	State of Domicile	2018	2017
<b><u>NET INCOME</u></b>			
(1) WRMCC state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$ 4,472,417	\$ 4,382,404
(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>\$ 4,472,417</u>	<u>\$ 4,382,404</u>
<b><u>SURPLUS</u></b>			
(1) WRMCC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 117,296,982	\$ 115,725,610
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (5-6-7=8)		<u>\$ 117,296,982</u>	<u>\$ 115,725,610</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	\$ (83,465)
2. 12 months or Longer	\$ (55,394)

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

1. Less than 12 months	\$ 3,813,261
2. 12 months or longer	\$ 1,327,870

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. Dollar Repurchase Agreements and/or Securities Lending Transactions**

Not applicable.

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing**

Not applicable.

**G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing**

Not applicable.

**H. Repurchase Agreements Transactions Accounted for as a Sale**

Not applicable.

**I. Reverse Repurchase Agreements Transactions Accounted for as a Sale**

Not applicable.

**J. Real Estate**

Not applicable.

**K. Low-income Housing Tax Credits (LIHTC)**

Not applicable.

**L. Restricted Assets**

Not applicable.

**M. Working Capital Finance Investments**

Not applicable.

**N. Offsetting and Netting of Assets and Liabilities**

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### O. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Refinanced Security (YES/NO)
912810-FR-4	\$1,006,055	\$1,326,248	\$1,192,705	NO
912828-3R-9	397,123	397,368	403,476	NO
912828-LA-6	503,327	596,133	586,950	NO
912828-S5-0	803,163	800,864	835,619	NO
912828-UH-1	479,661	530,494	531,097	NO
912828-V4-9	796,113	805,961	826,223	NO
912828-N7-1	824,827	838,750	852,605	NO
<b>Total:</b>	<b>\$4,810,269</b>	<b>\$5,295,818</b>	<b>\$5,228,675</b>	

### P. 5\* Securities

Not applicable.

### Q. Short Sales

Not applicable.

### R. Prepayment Penalty and Accelerated Fees

	<u>General Account</u>	<u>Protected Cell</u>
(1) Number of CUSIPS	1	--
(2) Aggregate Amount of Investment Income	\$ 4,281	\$ --

### 6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

### 7. Investment Income

No significant changes.

### 8. Derivative Instruments

No significant changes.

### 9. Income Taxes

#### A. The components of the net deferred tax asset/(liability) at June 30, 2018 and December 31, 2017 are as follows:

1.

	<u>06/30/2018</u>		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 7,766,980	\$ 529,026	\$ 8,296,006
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	7,766,980	529,026	8,296,006
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	7,766,980	529,026	8,296,006
(f) Deferred Tax Liabilities	(316,842)	(5,826,068)	(6,142,910)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 7,450,138</u>	<u>\$ (5,297,042)</u>	<u>\$ 2,153,096</u>

	<u>12/31/2017</u>		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 7,229,578	\$ 566,717	\$ 7,796,295
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	7,229,578	566,717	7,796,295
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	7,229,578	566,717	7,796,295
(f) Deferred Tax Liabilities	(418,339)	(6,196,944)	(6,615,283)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 6,811,239</u>	<u>\$ (5,630,227)</u>	<u>\$ 1,181,012</u>

## NOTES TO FINANCIAL STATEMENTS

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 537,402	\$ (37,691)	\$ 499,711
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	537,402	(37,691)	499,711
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	537,402	(37,691)	499,711
(f) Deferred Tax Liabilities	101,497	370,876	472,373
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 638,899	\$ 333,185	\$ 972,084

## 2. Admission Calculation Components SSAP No. 101

	06/30/2018		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 1,955,548	\$ —	\$ 1,955,548
(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)	4,799,275	—	4,799,275
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	4,799,275	—	4,799,275
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	16,906,139
(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.	1,012,157	529,026	1,541,183
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 7,766,980	\$ 529,026	\$ 8,296,006

	12/31/2017		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 1,955,548	\$ —	\$ 1,955,548
(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)	4,284,938	—	4,284,938
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	4,284,938	—	4,284,938
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	16,899,872
(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.	989,092	566,717	1,555,809
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 7,229,578	\$ 566,717	\$ 7,796,295

## NOTES TO FINANCIAL STATEMENTS

	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.	\$ —	\$ —	\$ —
(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)	514,337	—	514,337
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	514,337	—	514,337
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	82,383
(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.	23,065	(37,691)	(14,626)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 537,402</u>	<u>\$ (37,691)</u>	<u>\$ 499,711</u>
3.			
	2018		2017
(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.	\$ 112,707,591	\$ 112,158,373	
4. Impact of Tax-Planning Strategies			
	06/30/2018		
	(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)	\$ 7,766,980	\$ 529,026	
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)	\$ 7,766,980	\$ 529,026	
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
	12/31/2017		
	(1)	(2)	
	Ordinary	Capital	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 7,229,578	\$ 566,717	
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)	\$ 7,229,578	\$ 566,717	
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
	Change		
	(5)	(6)	
	(Col 1-3) Ordinary	(Col 2-4) Capital	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 537,402	\$ (37,691)	
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)	\$ 537,402	\$ (37,691)	
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>			

## NOTES TO FINANCIAL STATEMENTS

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) 06/30/2018	(2) 12/31/2017	(3) (Col 1-2) Change
<b>1. Current Income Tax</b>			
(a) Federal	\$ 1,173,535	\$ 164,603	\$ 1,008,932
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 1,173,535	\$ 164,603	\$ 1,008,932
(d) Federal income tax on net capital gains	\$ 46,808	\$ 785,197	\$ (738,389)
(e) Utilization of operating loss carry-forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 1,220,343</u>	<u>\$ 949,800</u>	<u>\$ 270,543</u>
<b>2. Deferred Tax Assets:</b>			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 260,847	\$ 260,847	\$ —
(2) Unearned premium reserve	\$ 1,719,784	\$ 1,674,446	\$ 45,338
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed Assets/prepaid expense	\$ 4,864,642	\$ 4,433,240	\$ 431,402
(8) Compensation and benefits accrual	\$ 212,717	\$ 194,069	\$ 18,648
(9) Pension accrual	\$ 29,158	\$ 29,158	\$ —
(10) Receivables – nonadmitted	\$ 32,473	\$ 22,090	\$ 10,383
(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	\$ 503,273	\$ 503,273	\$ —
(15) Software capitalized	\$ 114,319	\$ 91,254	\$ 23,065
(16) Other	\$ 29,767	\$ 21,201	\$ 8,566
(99) Subtotal	<u>\$ 7,766,980</u>	<u>\$ 7,229,578</u>	<u>\$ 537,402</u>
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 7,766,980</u>	<u>\$ 7,229,578</u>	<u>\$ 537,402</u>
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry-forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 529,026	\$ 566,717	\$ (37,691)
(6) Other	\$ —	\$ —	\$ —
(99) Subtotal	<u>\$ 529,026</u>	<u>\$ 566,717</u>	<u>\$ (37,691)</u>
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 529,026</u>	<u>\$ 566,717</u>	<u>\$ (37,691)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 8,296,006</u>	<u>\$ 7,796,295</u>	<u>\$ 499,711</u>
<b>3. Deferred Tax Liabilities:</b>			
(a) Ordinary:			
(1) Investments	\$ (107,116)	\$ (117,324)	\$ 10,208
(2) Fixed assets	\$ (149,624)	\$ (255,674)	\$ 106,050
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities):			
(6) Accumulated amortization software	\$ (60,102)	\$ (45,341)	\$ (14,761)
(7) Other	\$ —	\$ —	\$ —
(99) Subtotal	<u>\$ (316,842)</u>	<u>\$ (418,339)</u>	<u>\$ 101,497</u>
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (5,826,068)	\$ (6,196,944)	\$ 370,876
(99) Subtotal	<u>\$ (5,826,068)</u>	<u>\$ (6,196,944)</u>	<u>\$ 370,876</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (6,142,910)</u>	<u>\$ (6,615,283)</u>	<u>\$ 472,373</u>
<b>4. Net deferred tax assets/liabilities (2i – 3c)</b>			
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ 2,153,096</u>	<u>\$ 1,181,012</u>	<u>\$ 972,084</u>

## NOTES TO FINANCIAL STATEMENTS

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

	<u>06/30/2018</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 1,195,480	21.0%
Tax exempt interest	(102,400)	(1.8%)
Dividends received deduction	(39,839)	(0.7%)
Change in deferred tax on nonadmitted assets	(441,785)	(7.8%)
Other	7,693	0.1%
<b>Total</b>	<b>\$ 619,149</b>	<b>10.8%</b>
 Federal and foreign income taxes incurred	 \$ 1,173,535	 20.6%
Tax on capital gains (losses)	46,808	0.8%
Change in net deferred income taxes	(601,194)	(10.6%)
<b>Total statutory income taxes</b>	<b>\$ 619,149</b>	<b>10.8%</b>

E. Carry-forwards, recoverable taxes, and IRC §6603 deposits:

- (1) As of June 30, 2018, the Company had no net operating loss or net capital loss carry-forwards available for tax purposes.  
As of June 30, 2018, the Company had no alternative minimum tax (AMT) credit carry-forwards.
- (2) As of June 30, 2018, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$2,170,143.
- (3) The Company has no deposits reported as admitted assets under IRC §6603 as June 30, 2018.

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

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At June 30, 2018 and December 31, 2017, there were intercompany receivables of \$22,711 and \$35,344 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.
- L. No significant changes.
- M. No significant changes.
- N. No significant changes.

### 11. Debt

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Defined Benefit Plan

The Company has a non-qualified, unfunded, retiree healthcare plan that 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 June 30, 2018 and December 31, 2017, amounts held for these deferrals were \$0.7 million and \$.6 million, respectively.

#### B. Investment Policies and Strategies

Not applicable.

#### C. Fair Value of Plan Assets

Not applicable.

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

Not applicable.

#### E. Defined Contribution Plans

No significant changes.

#### F. Multiemployer Plans

Not applicable.

#### G. Consolidated/Holding Company Plans

Not applicable.

#### H. Postemployment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

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

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$27.7 million and \$29.5 million at June 30, 2018 and December 31, 2017, respectively.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 14. Liabilities, Contingencies and Assessments

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

### 15. Leases

No significant changes.

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

Not applicable.

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

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

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

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

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

Not applicable.

### 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:

## NOTES TO FINANCIAL STATEMENTS

### 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 June 30, 2018:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Cash Equivalents:				
Exempt MM Mutual Funds	\$ 2,262,873	\$ —	\$ —	\$ 2,262,873
Total Cash Equivalents	2,262,873	—	—	2,262,873
Common Stock:				
Mutual Funds	21,273,943	—	—	21,273,943
Industrial and Misc	34,065,299	—	119,944	34,185,243
Total Common Stocks	55,339,242	—	119,944	55,459,186
Bonds:				
Industrial and Misc	—	358,840	—	358,840
Total Bonds	—	358,840	—	358,840
Other Invested Assets	5,257,891	7,038,663	—	12,296,554
Total assets at fair value	<u>\$ 62,860,006</u>	<u>\$ 7,397,503</u>	<u>\$ 119,944</u>	<u>\$ 70,377,453</u>
b. Liabilities at fair value:				
Not applicable.				

Fair Value Measurements at December 31, 2017:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Cash Equivalents:				
Exempt MM Mutual Funds	\$ 3,537,440	\$ —	\$ —	\$ 3,537,440
Total Cash Equivalents	3,537,440	—	—	3,537,440
Common Stock:				
Mutual Funds	21,865,269	—	—	21,865,269
Industrial and Misc	35,305,903	—	119,944	35,425,847
Total Common Stocks	57,171,172	—	119,944	57,291,116
Bonds:				
Industrial and Misc	—	350,124	—	350,124
Total Bonds	—	350,124	—	350,124
Other Invested Assets	5,242,050	7,023,125	—	12,265,175
Total assets at fair value	<u>\$ 65,950,662</u>	<u>\$ 7,373,249</u>	<u>\$ 119,944</u>	<u>\$ 73,443,855</u>

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

	Beginning Balance at 03/31/2018	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases (Sales)	Ending Balance at 06/30/2018
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a. Assets:

Common Stock:	\$ 119,944	\$ —	\$ —	\$ —	\$ —	\$ 119,944
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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 June 30, 2018, 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	\$ 108,804,564	\$ 109,891,993	\$ 7,366,351	\$ 101,438,213	\$ —	\$ —
Common Stock	55,459,186	55,459,186	55,339,242	—	119,944	—
Other Invested Assets	12,296,554	12,296,554	5,257,891	7,038,663	—	—
Cash Equivalents	2,262,873	2,262,873	2,262,873	—	—	—

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

### 21. Other Items

A. Unusual or Infrequent Items  
Not applicable.

B. Troubled Debt Restructuring: Debtors  
Not applicable.

C. Other Disclosures  
Not applicable.

D. Business Interruption Insurance Recoveries  
Not applicable.

E. State Transferable and Non—Transferrable Tax Credits  
Not applicable.

F. Subprime Mortgage Related Risk Exposure  
Not applicable.

### 22. Events Subsequent

#### Type I – Recognized Subsequent Events:

Subsequent events have been considered through August 15, 2018 for the statutory statement issued on August 15, 2018 for the quarter ending June 30, 2018. 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 August 15, 2018 for the statutory statement issued on August 15, 2018 for the quarter ending June 30, 2018. No Type II events were identified that would have a material effect on the financial condition of the Company.

### 22. 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, 2017 were \$38.8 million. During 2018, \$13.1 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$25.1 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$0.6 million favorable prior year development from December 31, 2017 to June 30, 2018. Favorable development in auto physical damage, homeowner, farmowner, commercial multi-peril, other property and other liability lines of insurance were offset, in part, by unfavorable development in personal and commercial auto liability lines of insurance. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

### 26. Intercompany Pooling Agreements

No significant changes.

### 27. Structured Settlements

Not applicable.

### 28. Health Care Receivables

Not applicable.

### 29. Participating Policies

Not applicable.

### 30. Premium Deficiency Reserves

No significant changes.

### 31. High Deductibles

Not applicable.

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

No significant changes.

### 33. Asbestos/Environmental Reserves

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

## NOTES TO FINANCIAL STATEMENTS

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 ( )

	2014	2015	2016	2017	2018
(1) Direct –					
1) Beginning reserves:	\$ 62	\$ 32	\$ 32	\$ 32	\$ 28
2) Incurred losses and loss adjustment expense:	28	—	4	4	—
3) Calendar year payments for losses and loss adjustment expenses:	58	—	4	8	—
4) Ending reserves:	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 28</u>	<u>\$ 28</u>
(2) Assumed Reinsurance –					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for losses and loss adjustment expenses:	—	—	—	—	—
4) Ending reserves:	<u>\$ —</u>				
(3) Net of Ceded Reinsurance –					
1) Beginning reserves:	\$ 62	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	(62)	—	—	—	—
3) Calendar year payments for losses and loss adjustment expenses:	—	—	—	—	—
4) Ending reserves:	<u>\$ —</u>				

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

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

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

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

(3) Direct Basis:	\$ —
(4) Assumed Reinsurance Basis:	\$ —
(5) Net of Ceded Reinsurance Basis:	\$ —

### 34. Subscriber Savings Accounts

Not applicable.

### 35. Multiple Peril Crop Insurance

Not applicable.

### 36. Financial Guaranty Insurance

Not applicable.

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

2.2 If yes, date of change: .....

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

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

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ ] No [X]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.....

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [X]  
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2016

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2016

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 [X]  
Yes [X] No [ ] NA [ ]

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

7.2 If yes, give full information:  
.....

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

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

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

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

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

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY****GENERAL INTERROGATORIES**

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

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

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

.....

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

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

.....

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

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

.....

**FINANCIAL**

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ ..... 0

**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 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ ..... 355,831	\$ ..... 359,078
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) .....	\$ ..... 355,831	\$ ..... 359,078
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.

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

**GENERAL INTERROGATORIES**

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0  
 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0  
 16.3 Total payable for securities lending reported on the liability page \$.....0

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Eaton Vance Management.....	Two International Place Boston, MA 02110.....	Purchased in 2014; not accounted for by Northern Trust Company.....
SEI Global Services.....	1 Freedom Valley Drive Oaks, PA 19456.....	Custodian of the Harvest MLP Income Fund LLC purchased in 2016; not accounted for by Northern Trust Company .....

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

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

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

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

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

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

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

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

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

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

19. By self-designating 5\*GI securities, the reporting entity is certifying the following elements for each self-designated 5\*GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist.  
 b. Issuer or obligor is current on all contracted interest and principal payments.  
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities? ..... Yes [ ] No [X]

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

# **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 [ ]

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? .....

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:

## 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..... \$ \_\_\_\_\_

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?..... Yes [X] No [ ]

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?..... Yes [ ] No [ ]

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

## **SCHEDULE F - CEDED REINSURANCE**

**Showing All New Reinsurers - Current Year to Date**

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date – Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0
5. California	CA	N	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0
9. Dist. Columbia	DC	N	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0
14. Illinois	IL	L	0	0	0	0	0
15. Indiana	IN	L	13,783,573	14,033,923	8,337,574	8,739,814	13,091,125
16. Iowa	IA	N	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0
36. Ohio	OH	L	35,927,585	34,884,132	17,940,881	15,679,578	28,359,692
37. Oklahoma	OK	N	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals		XXX	49,711,158	48,918,055	26,278,455	24,419,392	41,450,817
<b>DETAILS OF WRITE-INS</b>							
58001.		XXX					
58002.		XXX					
58003.		XXX					
58998.	Summary of remaining write-ins for Line 58 from overflow page						
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0
(a) Active Status Counts							

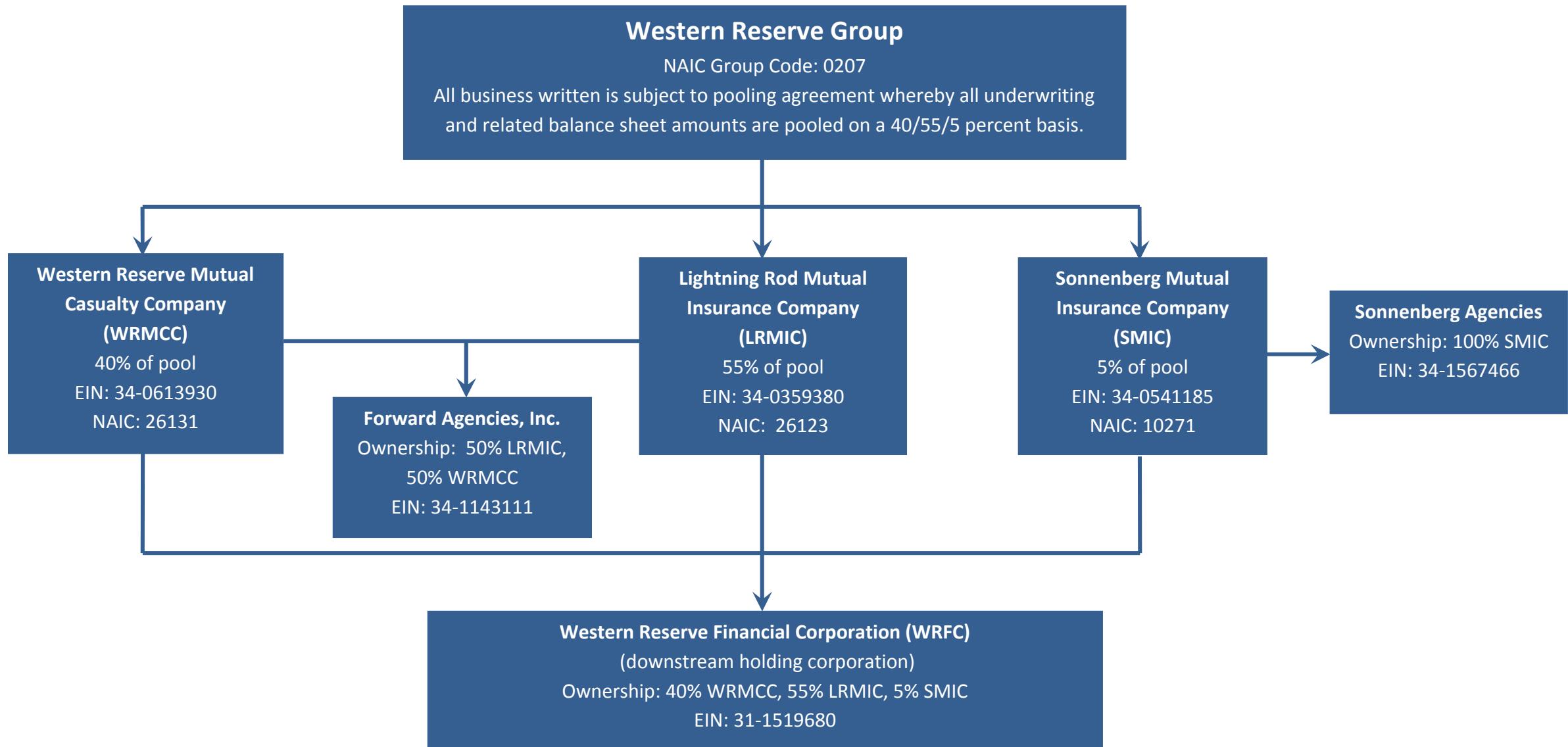
L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG ..... 4 R – Registered – Non-domiciled RRGs ..... 0

E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) ..... 0 Q – Qualified – Qualified or accredited reinsurer ..... 0

D – Domestic Surplus Lines Insurer (DSLI) – Reporting entities authorized to write surplus lines in the state of domicile ..... 0 N – None of the above – Not allowed to write business in the state ..... 53

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

**PART 1 – ORGANIZATIONAL CHART**



**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

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

二

Asterisk	Explanation

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	1,550,353	443,129	28.6	16.7
2. Allied lines	844,772	776,800	92.0	97.5
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	12,719,634	5,912,586	46.5	58.0
5. Commercial multiple peril	7,475,601	1,764,040	23.6	25.8
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	610,948	71,798	11.8	29.3
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake			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	678,927	957,877	141.1	80.1
17.1 Other liability occurrence	1,844,205	436,564	23.7	38.2
17.2 Other liability-claims made	12,270	45,000	366.7	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence	63,023	6,361	10.1	17.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	10,588,184	5,369,154	50.7	55.8
19.3,19.4 Commercial auto liability	2,360,738	2,397,721	101.6	59.7
21. Auto physical damage	10,156,972	5,847,840	57.6	59.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft	16,916	(1,650)	(9.8)	(8.6)
27. Boiler and machinery	157,099	42,648	27.1	34.3
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
<b>TOTALS</b>	<b>49,079,642</b>	<b>24,069,868</b>	<b>49.0</b>	<b>51.5</b>
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	
1. Fire	807,346	1,492,318	1,520,592	
2. Allied lines	440,376	816,629	828,947	
3. Farmowners multiple peril	0		0	
4. Homeowners multiple peril	6,915,612	12,437,500	10,887,612	
5. Commercial multiple peril	4,538,789	8,344,932	7,961,599	
6. Mortgage guaranty	0		0	
8. Ocean marine	0		0	
9. Inland marine	370,225	689,265	630,929	
10. Financial guaranty	0		0	
11.1 Medical professional liability-occurrence	0		0	
11.2 Medical professional liability-claims made	0		0	
12. Earthquake	0		9,451	
13. Group accident and health	0		0	
14. Credit accident and health	0		0	
15. Other accident and health	0		0	
16. Workers' compensation	394,831	748,217	758,863	
17.1 Other liability occurrence	1,070,060	1,987,396	1,914,538	
17.2 Other liability-claims made	6,864	14,399	6,733	
17.3 Excess Workers' Compensation	0		0	
18.1 Products liability-occurrence	33,960	54,466	62,293	
18.2 Products liability-claims made	0		0	
19.1,19.2 Private passenger auto liability	5,145,160	10,313,328	11,236,234	
19.3,19.4 Commercial auto liability	1,348,334	2,621,769	2,353,184	
21. Auto physical damage	5,042,989	9,998,268	10,593,072	
22. Aircraft (all perils)	0		0	
23. Fidelity	0		0	
24. Surety	0		0	
26. Burglary and theft	6,525	15,085	13,989	
27. Boiler and machinery	92,822	177,586	140,019	
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	
<b>TOTALS</b>	<b>26,213,893</b>	<b>49,711,158</b>	<b>48,918,055</b>	
<b>DETAILS OF WRITE-INS</b>				
3401.			0	0
3402.			0	0
3403.			0	0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2018 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2015 + Prior .....	7,937	.852	.8,789	2,168	2	2,170	4,691	.15	.474	.5,180	(1,078)	(361)	(1,439)
2. 2016 .....	8,132	.620	.8,752	1,612	38	1,650	5,827	.49	.488	6,364	(693)	(45)	(738)
3. Subtotals 2016 + prior .....	16,069	1,472	17,541	3,780	40	3,820	10,518	.64	.962	11,544	(1,771)	(406)	(2,177)
4. 2017 .....	17,976	3,273	21,249	8,186	1,090	9,276	11,358	.950	.1,184	13,492	1,568	(49)	1,519
5. Subtotals 2017 + prior .....	34,045	4,745	38,790	11,966	1,130	13,096	21,876	.1,014	.2,146	25,036	(203)	(455)	(658)
6. 2018 .....	XXX	XXX	XXX	XXX	14,142	14,142	XXX	9,676	.2,530	12,206	XXX	XXX	XXX
7. Totals .....	34,045	4,745	38,790	11,966	15,272	27,238	21,876	10,690	4,676	37,242	(203)	(455)	(658)
Prior Year-End Surplus As Regards Policy-holders		115,726									Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (0.6)	2. (9.6)	3. (1.7)
												Col. 13, Line 7 Line 8	
												4. (0.6)	

# STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

## 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. Business not written
2. Business not written
3. Business not written

### **Bar Code:**

1.   
2 6 1 3 1 2 0 1 8 4 9 0 0 0 0 2
2.   
2 6 1 3 1 2 0 1 8 4 5 5 0 0 0 0 2
3.   
2 6 1 3 1 2 0 1 8 3 6 5 0 0 0 0 2

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**SCHEDULE A – VERIFICATION**

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	7,030,672	6,911,800
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	1,920,969	342,862
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....	116,959	223,990
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	8,834,682	7,030,672
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	8,834,682	7,030,672

**SCHEDULE B – VERIFICATION**

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
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	0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

**NONE**

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	13,430,889	13,232,518
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	100,000	0
2.2 Additional investment made after acquisition .....		1,000,000
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....	31,379	(644,309)
6. Total gain (loss) on disposals .....	63,364	0
7. Deduct amounts received on disposals .....		157,320
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	13,498,904	13,430,889
12. Deduct total nonadmitted amounts .....	1,202,350	1,165,714
13. Statement value at end of current period (Line 11 minus Line 12) .....	12,296,554	12,265,175

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	167,060,228	155,961,751
2. Cost of bonds and stocks acquired .....	6,571,865	18,207,214
3. Accrual of discount .....	15,524	35,910
4. Unrealized valuation increase (decrease) .....	(1,797,456)	5,929,893
5. Total gain (loss) on disposals .....	222,895	2,336,666
6. Deduct consideration for bonds and stocks disposed of .....	5,926,965	14,571,705
7. Deduct amortization of premium .....	440,114	812,241
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other-than-temporary impairment recognized .....		27,261
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....	4,281	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) .....	165,710,257	167,060,228
12. Deduct total nonadmitted amounts .....	359,078	355,831
13. Statement value at end of current period (Line 11 minus Line 12) .....	165,351,179	166,704,397

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**SCHEDULE D - PART 1B**

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	105,154,614	1,250,113	3,133,704	(465,620)	105,154,614	102,805,404	0	103,119,222
2. NAIC 2 (a).....	5,923,800	496,600		307,349	5,923,800	6,727,749	0	5,943,935
3. NAIC 3 (a).....	352,496			6,344	352,496	358,840	0	350,124
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.....	111,430,911	1,746,713	3,133,704	(151,927)	111,430,911	109,891,993	0	109,413,280
<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.....	111,430,911	1,746,713	3,133,704	(151,927)	111,430,911	109,891,993	0	109,413,280

(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 \$ ..... ; NAIC 2 \$ ..... ;

NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**SCHEDULE DA - PART 1**

Short-Term Investments

	1 Book/adjusted Carrying value	2 Year Value	3	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999		XXX			

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	3,495,019
2. Cost of short-term investments acquired .....	0	
3. Accrual of discount .....	0	
4. Unrealized valuation increase (decrease).....	0	
5. Total gain (loss) on disposals .....	0	
6. Deduct consideration received on disposals .....		3,495,019
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).....	0	0
11. Deduct total nonadmitted amounts.....	0	
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

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**

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**SCHEDULE E – PART 2 – VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,537,440	0
2. Cost of cash equivalents acquired .....	11,208,715	25,136,480
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals .....	12,483,282	21,599,040
7. Deduct amortization of premium .....	0	0
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) .....	2,262,873	3,537,440
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	2,262,873	3,537,440

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**SCHEDULE A - PART 2**

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

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
<i>Acquired by purchase</i>								
Building addition.....	Wooster	OH	04/30/2018	Various.....	233,264		233,264	
Building addition.....	Wooster	OH	05/31/2018	Various.....	554,258		554,258	
Building additions.....	Wooster	OH	06/30/2018	Various.....	483,537		483,537	
0199999 - Acquired by purchase					1,271,059	0	1,271,059	0
0399999 Totals					1,271,059	0	1,271,059	0

**SCHEDULE A - PART 3**

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

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Changes in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain(Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred	
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B/A. C.V. (11-9-10)	13 Total Foreign Exchange Change in B.A. C.V.								
<i> </i>																				
0399999 Totals																				

**NONE**

E01

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

## **SCHEDULE B - PART 2**

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

**SCHEDULE B - PART 3**

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

E02

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

## **SCHEDULE BA - PART 2**

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

## **SCHEDULE BA - PART 3**

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

1		2		Location		5	6	7	8	Change in Book/Adjusted Carrying Value					15	16	17	18	19	20	
				3	4					Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances Prior Year	9	10 Current Year's Depreciation or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.			
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal																	
Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of - Other - Unaffiliated																					
000000-00-0.....	Buell Agency.....	IN		Buell Agency.....	01/28/2016	06/29/2018	17,024						0			17,024	17,024			,0	,236
000000-00-0.....	Allen Thomas Group.....	OH		Allen Thomas Group.....	03/15/2013	06/29/2018	,5,375						0			,5,375	,5,375			,0	,134
000000-00-0.....	Schoettmer Agency.....	IN		Schoettmer Agency.....	11/01/2016	06/29/2018	,10,093						0			,10,093	,10,093			,0	,191
000000-00-0.....	Hilvers Agency.....	USA		Hilvers Agency.....	03/01/2018	06/29/2018	,4,295						0			,4,295	,4,295			,0	,23
1199999 - Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of - Other Fixed Income - Unaffiliated																				,0	,584
4499999 - Subtotals - Unaffiliated										36,787	0	0	,0	0	0	0	36,787	36,787	0	0	0
4599999 - Subtotals - Affiliated										0	0	0	0	0	0	0	0	0	0	0	0
4699999 Totals										36,787	0	0	0	0	0	0	36,787	36,787	0	0	0

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## STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
.409588-5L-3.....	HAMPTON VA.....		.06/14/2018.....	First Tennessee Bank.....	XXX.....	369,985	.370,000		.1FE
556583-ZG-0.....	MADISON ALA.....		.06/14/2018.....	Raymond James Financial.....	XXX.....	398,332	.400,000		.1FE
592112-PB-6.....	METROPOLITAN GOVT NASHVILLE & DAVIDSON C.....		.04/25/2018.....	DAVIDSON (D.A.) & CO. INC.....	XXX.....	197,936	.200,000	.2,187	.1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>						966,253	970,000	.2,187	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
.370334-BT-0.....	GENERAL MILLS INC.....		.05/14/2018.....	FIRST EMPIRE SECURITIES INC.....	XXX.....	496,600	.500,000	.4,613	.2FE
64952W-CX-9.....	NEW YORK LIFE GLOBAL FUNDING.....		.06/04/2018.....	Raymond James Financial.....	XXX.....	283,860	.300,000	.3,650	.1FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						780,460	800,000	8,263	XXX
<b>8399997 - Subtotals - Bonds - Part 3</b>						1,746,713	1,770,000	10,450	XXX
<b>8399999 - Subtotals - Bonds</b>						1,746,713	1,770,000	10,450	XXX
<b>9999999 Totals</b>						1,746,713	XXX	10,450	XXX

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

E04

**STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

## SCHEDULE D - PART 4

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

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

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Fifth Third Bank.....	Cincinnati, OH.....				5,251,772	6,199,173	4,279,110	XXX
Huntington National Bank.....	Akron, OH.....				(290,035)	93,550	(453,055)	XXX
Huntington National Bank.....	Akron, OH.....				1,240,354	1,386,793	1,494,235	XXX
Huntington National Bank.....	Akron, OH.....				31,117	37,495	37,495	XXX
JP Morgan Chase.....	New York, NY.....				(35,418,684)	(35,362,722)	(38,500,392)	XXX
JP Morgan Chase.....	New York, NY.....	0.002	.96	0	122,413	122,448	122,484	XXX
Northern Trust.....	Chicago, IL.....				(371,494)	24,677	529,242	XXX
Stone Castle FICA Deposit Account.....	Cleveland, OH.....	1.740	.5,001	0	1,212,693	1,214,361	1,216,101	XXX
0199998 Deposits in ..... (See Instructions) - Open Depositories	XXX	XXX			24,867	27,230	0	XXX
0199999 Total Open Depositories	XXX	XXX	5,097	0	(28,196,997)	(26,256,995)	(31,274,780)	XXX
0399999 Total Cash on Deposit	XXX	XXX	5,097	0	(28,196,997)	(26,256,995)	(31,274,780)	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
<b>0599999 Total</b>	XXX	XXX	5,097	0	(28,196,997)	(26,256,995)	(31,274,780)	XXX

STATEMENT AS OF JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

## **SCHEDULE E - PART 2 - CASH EQUIVALENTS**

### Show Investments Owned End of Current Quarter

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**SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2018 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

**DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT**

Year To Date For The Period Ended 2018

NAIC Group Code 00207

NAIC Company Code 26131

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

1. Monoline Policies

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

2. Commercial Multiple Peril (CMP) Packaged Policies

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

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

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

2.31 Amount quantified: \$ ..... 2,773

2.32 Amount estimated using reasonable assumptions: \$ .....

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