



ANNUAL STATEMENT
For the Year Ended December 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

Integrity Mutual Insurance Company

NAIC Group Code	00267	00267	NAIC Company Code	14303	Employer's ID Number	39-0367560
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States					
Incorporated/Organized	07/28/1933			Commenced Business	10/03/1933	
Statutory Home Office	671 South High Street			Columbus, OH, US 43206		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	2121 East Capitol Drive			Appleton, WI, US 54911-8726		920-734-4511
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Mail Address	PO Box 539			Appleton, WI, US 54912-0539		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	2121 East Capitol Drive			Appleton, WI, US 54911-8726		920-734-4511
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Internet Web Site Address	www.integrityinsurance.com					
Statutory Statement Contact	Jeff Paul Siefker			614-593-4014		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	siefkerj@grangeinsurance.com			877-730-5712		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
JILL ANN WAGNER	President	BRENT ROBERT HAMMER	Treasurer
LAVAWN DEE COLEMAN	Secretary		

OTHER OFFICERS

BETH WILLIAMS MURPHY	Assistant Secretary	TERESA JEAN DALENTA #	Assistant Vice President, Assistant Treasurer
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DIRECTORS OR TRUSTEES

DOUGLAS PAUL BUTH	THOMAS SIMRALL STEWART	JOHN AMMENDOLA	TERESA JEAN DALENTA
MARK LEWIS BOXER	MICHAEL DESMOND FRAZIER	ROBERT ENLOW HOYT	MARY MARNETTE PERRY
DAVID CHARLES WETMORE	CHRISTIANNA WOOD	SUZAN BULYABA KEREERE #	

State ofOhio.....
County ofFranklin.....

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

JILL ANN WAGNER President	BRENT ROBERT HAMMER Treasurer	LAVAWN DEE COLEMAN Secretary
Subscribed and sworn to before me this _____ day of _____,		
a. Is this an original filing? Yes [X] No []		
b. If no:		
1. State the amendment number _____		
2. Date filed _____		
3. Number of pages attached _____		

Sharon M. FriebeI, Notary Public
10/26/2019

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	65,911,106		65,911,106	63,244,274
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,235,662		1,235,662	1,461,190
2.2 Common stocks	19,535,519		19,535,519	19,053,459
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	1,496,766		1,496,766	1,525,643
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$11,134,203 , Schedule E-Part 1), cash equivalents (\$1,414,294 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	12,548,497		12,548,497	11,277,761
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities	32,675		32,675	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	100,760,225	0	100,760,225	96,562,327
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	491,386		491,386	547,282
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	10,636,745	54,894	10,581,850	10,079,322
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$35,982 earned but unbilled premiums).....	37,615	1,633	35,982	35,787
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	20,008		20,008	12,372
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	226,002		226,002	148,775
18.2 Net deferred tax asset.....	2,249,579	119,687	2,129,892	1,835,289
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)	594,521	594,521	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other-than-invested assets	145,119	96,989	48,130	40,115
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	115,161,200	867,724	114,293,476	109,261,269
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	115,161,200	867,724	114,293,476	109,261,269
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities in Pools.....	48,130		48,130	40,115
2502. Prepaid Expenses.....	96,989	96,989	0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	145,119	96,989	48,130	40,115

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	20,421,461	21,657,397
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	6,175,665	6,275,238
4. Commissions payable, contingent commissions and other similar charges	1,023,622	910,147
5. Other expenses (excluding taxes, licenses and fees)	1,662,311	1,668,811
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	575,407	521,063
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$55,404,147 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)	19,875,146	19,217,294
10. Advance premium	239,177	226,930
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders	120,252	110,261
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,446,046	1,356,233
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		0
14. Amounts withheld or retained by company for account of others	610,446	603,277
15. Remittances and items not allocated		0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 3, Column 78)		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	2,720,876	1,277,821
20. Derivatives	0	0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	1,663,935	1,699,394
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	56,534,344	55,523,867
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	56,534,344	55,523,867
29. Aggregate write-ins for special surplus funds	1,000,000	1,000,000
30. Common capital stock		0
31. Preferred capital stock		0
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus		0
35. Unassigned funds (surplus)	56,759,132	52,737,403
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	57,759,132	53,737,403
38. Totals (Page 2, Line 28, Col. 3)	114,293,476	109,261,269
DETAILS OF WRITE-INS		
2501. Liability for Benefit Plans.....	1,661,847	1,692,050
2502. Misc Liabilities.....	2,088	7,344
2503.		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)	1,663,935	1,699,394
2901. Guarantee Fund for Non-Assessability.....	1,000,000	1,000,000
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	1,000,000	1,000,000
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	47,448,462	46,572,040
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	24,290,865	25,076,742
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	5,170,239	5,031,439
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	15,245,729	14,577,720
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	44,706,833	44,685,902
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	2,741,629	1,886,138
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,134,591	1,184,082
10. Net realized capital gains (losses) less capital gains tax of \$174,556 (Exhibit of Capital Gains (Losses))...	656,664	967,827
11. Net investment gain (loss) (Lines 9 + 10)	1,791,255	2,151,909
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$46,214 amount charged off \$223,154)	(176,940)	(184,837)
13. Finance and service charges not included in premiums	656,814	734,692
14. Aggregate write-ins for miscellaneous income	48,394	34,903
15. Total other income (Lines 12 through 14)	528,268	584,758
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,061,151	4,622,805
17. Dividends to policyholders	185,139	165,694
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)	4,876,013	4,457,111
19. Federal and foreign income taxes incurred	863,882	1,059,551
20. Net income (Line 18 minus Line 19) (to Line 22)	4,012,131	3,397,560
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	53,737,403	50,376,838
22. Net income (from Line 20)	4,012,131	3,397,560
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$(96,616)	118,600	656,215
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	148,071	(1,304,563)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(98,260)	514,559
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1 Paid in		0
32.2 Transferred from surplus (Stock Dividend)		0
32.3 Transferred to surplus		0
33. Surplus adjustments:		
33.1 Paid in		0
33.2 Transferred to capital (Stock Dividend)		0
33.3 Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	(158,812)	96,793
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	4,021,730	3,360,565
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	57,759,132	53,737,403
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Misc. Income.....	48,394	34,903
1402.		0
1403.		0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	48,394	34,903
3701. Chg in Minimum Pension Liability.....	(158,812)	96,793
3702.		0
3703.		0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(158,812)	96,793

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	47,689,473	46,930,547
2. Net investment income	2,086,326	2,029,934
3. Miscellaneous income	528,268	584,758
4. Total (Lines 1 through 3)	50,304,067	49,545,239
5. Benefit and loss related payments	25,534,437	21,092,500
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	20,355,472	18,186,563
8. Dividends paid to policyholders	175,148	136,047
9. Federal and foreign income taxes paid (recovered) net of \$ 174,556 tax on capital gains (losses)	1,115,665	2,025,258
10. Total (Lines 5 through 9)	47,180,722	41,440,369
11. Net cash from operations (Line 4 minus Line 10)	3,123,345	8,104,870
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	18,367,641	13,130,133
12.2 Stocks	287,586	984,857
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	115,991
12.8 Total investment proceeds (Lines 12.1 to 12.7)	18,655,227	14,230,981
13. Cost of investments acquired (long-term only):		
13.1 Bonds	21,186,664	14,222,560
13.2 Stocks	246,279	5,556,125
13.3 Mortgage loans	0	0
13.4 Real estate	158,151	193,794
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	32,677	115,151
13.7 Total investments acquired (Lines 13.1 to 13.6)	21,623,772	20,087,630
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,968,545)	(5,856,649)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	1,115,936	961,176
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,115,936	961,176
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,270,737	3,209,397
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	11,277,761	8,068,363
19.2 End of year (Line 18 plus Line 19.1)	12,548,497	11,277,761

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	.637,732	.360,146	.342,796	.655,083
2.	Allied lines .....	.338,026	.191,239	.182,930	.346,335
3.	Farmowners multiple peril .....	.628,775	.338,724	.318,416	.649,084
4.	Homeowners multiple peril	10,459,668	.5,705,272	.5,717,408	10,447,533
5.	Commercial multiple peril .....	.5,448,569	2,310,998	2,592,806	.5,166,761
6.	Mortgage guaranty .....	.0	.0	.0	.0
8.	Ocean marine .....	.0	.0	.0	.0
9.	Inland marine .....	.360,373	.166,855	.166,963	.360,264
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 .....	.77,161	.43,991	.41,675	.79,477
13.	Group accident and health .....	.0	.0	.0	.0
14.	Credit accident and health (group and individual) .....	.0	.0	.0	.0
15.	Other accident and health .....	.0	.0	.0	.0
16.	Workers' compensation	2,175,574	.783,731	.864,889	2,094,415
17.1	Other liability-occurrence .....	.927,139	.383,895	.437,083	.873,951
17.2	Other liability-claims-made .....	.9,664	.3,598	.4,648	.8,614
17.3	Excess workers' compensation.....	.0	.0	.0	.0
18.1	Products liability-occurrence .....	.4,303	.1,886	.2,360	.3,830
18.2	Products liability-claims-made .....	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability	12,177,482	.3,788,152	.3,852,423	12,113,210
19.3,19.4	Commercial auto liability .....	.3,122,486	1,359,584	1,452,323	.3,029,746
21.	Auto physical damage	11,736,681	.3,778,938	.3,897,366	11,618,254
22.	Aircraft (all perils) .....	.0	.0	.0	.0
23.	Fidelity .....	.0	.0	.0	.0
24.	Surety .....	.0	.0	.0	.0
26.	Burglary and theft .....	.2,680	.286	.1,062	.1,904
27.	Boiler and machinery .....	.0	.0	.0	.0
28.	Credit .....	.0	.0	.0	.0
29.	International .....	.0	.0	.0	.0
30.	Warranty .....	.0	.0	.0	.0
31.	Reinsurance-nonproportional assumed property .....	.0	.0	.0	.0
32.	Reinsurance-nonproportional assumed liability .....	.0	.0	.0	.0
33.	Reinsurance-nonproportional assumed financial lines .....	.0	.0	.0	.0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	48,106,314	19,217,294	19,875,146	47,448,462
DETAILS OF WRITE-INS					
3401.	.....	.0	.0	.0	.0
3402.	.....	.0	.0	.0	.0
3403.	.....	.0	.0	.0	.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	342,796				342,796
2.	Allied lines	182,930				182,930
3.	Farmowners multiple peril	318,416				318,416
4.	Homeowners multiple peril	5,717,408				5,717,408
5.	Commercial multiple peril	2,592,806				2,592,806
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	166,963				166,963
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake	41,675				41,675
13.	Group accident and health					0
14.	Credit accident and health (group and individual) ...					0
15.	Other accident and health					0
16.	Workers' compensation	864,889				864,889
17.1	Other liability-occurrence	437,083				437,083
17.2	Other liability-claims-made	4,648				4,648
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	2,360				2,360
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	3,852,423				3,852,423
19.3,19.4	Commercial auto liability	1,452,323				1,452,323
21.	Auto physical damage	3,897,366				3,897,366
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	1,062				1,062
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance-nonproportional assumed property					0
32.	Reinsurance-nonproportional assumed liability					0
33.	Reinsurance-nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	19,875,146	0	0	0	19,875,146
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					19,875,146
DETAILS OF WRITE-INS						
3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire	891,018	637,732		851,203	39,814	637,732
2.	Allied lines	579,800	338,026		565,237	14,563	338,026
3.	Farmowners multiple peril		628,775				628,775
4.	Homeowners multiple peril	6,457,997	10,459,668		6,222,404	235,593	10,459,668
5.	Commercial multiple peril	35,664,609	5,448,569		32,498,525	3,166,084	5,448,569
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	1,933,047	360,373		1,875,998	57,049	360,373
10.	Financial guaranty						0
11.1	Medical professional liability-occurrence						0
11.2	Medical professional liability-claims-made						0
12.	Earthquake	1,151	77,161		1,104	47	77,161
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation	43,543,729	2,175,574	434,650	42,705,963	1,272,416	2,175,574
17.1	Other liability-occurrence	6,470,894	927,139		6,143,140	327,754	927,139
17.2	Other liability-claims-made	227,916	9,664		87,520	140,396	9,664
17.3	Excess workers' compensation						0
18.1	Products liability-occurrence	22,838	4,303		19,270	3,568	4,303
18.2	Products liability-claims-made						0
19.1,19.2	Private passenger auto liability	3,792,363	12,177,482		3,744,827	47,536	12,177,482
19.3,19.4	Commercial auto liability	19,579,321	3,122,486		18,542,431	1,036,890	3,122,486
21.	Auto physical damage	14,692,041	11,736,681		14,601,600	90,441	11,736,681
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft	30,561	2,680		30,561		2,680
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance-nonproportional assumed property	XXX					0
32.	Reinsurance-nonproportional assumed liability	XXX					0
33.	Reinsurance-nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	133,887,284	48,106,314	434,650	127,889,783	6,432,151	48,106,314
DETAILS OF WRITE-INS							
3401.	.....						0
3402.	.....						0
3403.	.....						0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Integrity Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	547,257	262,858	547,257	262,858	46,571	33,652	275,778	42.1
2.	Allied lines	177,732	83,320	177,732	83,320	41,629	42,118	82,831	23.9
3.	Farmowners multiple peril		412,745	0	412,745	92,178	157,425	347,498	53.5
4.	Homeowners multiple peril	3,482,734	4,538,373	3,482,734	4,538,373	1,213,578	1,268,562	4,483,389	42.9
5.	Commercial multiple peril	17,745,612	2,821,436	17,745,612	2,821,436	3,718,632	3,416,174	3,123,894	60.5
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	2,835,031	172,225	2,835,031	172,225	19,672	77,171	114,726	31.8
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability-occurrence				0	0	0	0	0.0
11.2	Medical professional liability-claims-made				0	0	0	0	0.0
12.	Earthquake				0	2	5	(2)	0.0
13.	Group accident and health				0	0	0	0	0.0
14.	Credit accident and health (group and individual)				0	0	0	0	0.0
15.	Other accident and health				0	0	0	0	0.0
16.	Workers' compensation	17,230,706	1,047,650	17,399,519	878,837	1,655,677	1,548,906	985,608	47.1
17.1	Other liability-occurrence	1,019,247	205,409	1,019,247	205,409	685,968	753,548	137,829	15.8
17.2	Other liability-claims-made	27,879	2,852	27,879	2,852	8,648	7,605	3,894	45.2
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence		158		158	3,038	2,631	566	14.8
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	2,892,398	7,908,990	2,892,398	7,908,990	8,437,642	9,371,676	6,974,956	57.6
19.3,19.4	Commercial auto liability	10,266,155	2,270,758	10,266,155	2,270,758	4,205,664	4,842,069	1,634,352	53.9
21.	Auto physical damage	8,104,104	5,967,137	8,104,104	5,967,137	292,366	135,678	6,123,825	52.7
22.	Aircraft (all perils)		1		1	15	16	0	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety				0	27	27	0	0.0
26.	Burglary and theft		1,702		1,702	154	135	1,721	90.4
27.	Boiler and machinery				0	0	0	0	0.0
28.	Credit				0	0	0	0	0.0
29.	International				0	0	0	0	0.0
30.	Warranty				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	64,328,856	25,695,614	64,497,669	25,526,801	20,421,461	21,657,397	24,290,865	51.2
DETAILS OF WRITE-INS									
3401.	.....				0	0	0	0	0.0
3402.	.....				0	0	0	0	0.0
3403.	.....				0	0	0	0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Integrity Mutual Insurance Company

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

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	(1,621)	23,981	(1,621)	23,981	97,522	22,590	97,522	46,571	24,123
2.	Allied lines	14,674	29,210	14,674	29,210	63,534	12,419	63,534	41,629	15,426
3.	Farmowners multiple peril		46,875		46,875		45,302		92,178	40,467
4.	Homeowners multiple peril	302,932	849,022	302,932	849,022	338,226	364,557	338,226	1,213,578	486,093
5.	Commercial multiple peril	7,741,328	1,804,388	7,741,328	1,804,388	12,112,802	1,914,244	12,112,802	3,718,632	1,623,543
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	(21,776)	2,266	(21,776)	2,266	236,574	17,406	236,574	19,672	10,457
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		2		2	190
13.	Group accident and health				0				(a) 0	88
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation	56,574,174	1,264,202	56,917,761	920,614	13,733,376	1,148,021	14,146,334	1,655,677	350,326
17.1	Other liability-occurrence	3,015,000	188,712	3,015,000	188,712	4,591,343	497,256	4,591,343	685,968	27,986
17.2	Other liability-claims-made		4,827		4,827	39,332	3,821	39,332	8,648	4,416
17.3	Excess workers' compensation				0				0	
18.1	Products liability-occurrence		2,227		2,227	2,711	811	2,711	3,038	1,465
18.2	Products liability-claims-made				0				0	
19.1,19.2	Private passenger auto liability	3,101,259	5,566,613	3,101,259	5,566,613	1,429,710	2,871,029	1,429,710	8,437,642	2,305,012
19.3,19.4	Commercial auto liability	11,526,925	2,130,534	11,526,925	2,130,534	9,849,625	2,075,130	9,849,625	4,205,664	892,182
21.	Auto physical damage	(11,850)	(101,348)	(11,850)	(101,348)	925,277	393,714	925,277	292,366	393,858
22.	Aircraft (all perils)		15		15				15	0
23.	Fidelity				0				0	
24.	Surety		27		27				27	
26.	Burglary and theft		(21)		(21)	3,268	175	3,268	154	34
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance-nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance-nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	82,241,045	11,811,529	82,584,633	11,467,941	43,423,300	9,366,478	43,836,258	20,421,461	6,175,665
DETAILS OF WRITE-INS										
3401.	.....				0				0	
3402.	.....				0				0	
3403.	.....				0				0	
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	6,229,680			6,229,680
1.2 Reinsurance assumed	1,089,420			1,089,420
1.3 Reinsurance ceded	6,229,680			6,229,680
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,089,420	0	0	1,089,420
2. Commission and brokerage:				
2.1 Direct, excluding contingent		16,485,514		16,485,514
2.2 Reinsurance assumed, excluding contingent		6,750,315		6,750,315
2.3 Reinsurance ceded, excluding contingent		16,485,514		16,485,514
2.4 Contingent-direct		2,346,131		2,346,131
2.5 Contingent-reinsurance assumed		1,060,088		1,060,088
2.6 Contingent-reinsurance ceded		2,346,131		2,346,131
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	7,810,403	0	7,810,403
3. Allowances to manager and agents	558	101,080		101,639
4. Advertising	433	84,256		84,690
5. Boards, bureaus and associations	40,429	94,634		135,062
6. Surveys and underwriting reports		367,675		367,675
7. Audit of assureds' records		23,994		23,994
8. Salary and related items:				
8.1 Salaries	2,223,037	2,766,822	32,618	5,022,477
8.2 Payroll taxes	141,030	203,224	2,963	347,218
9. Employee relations and welfare	469,689	561,586	7,761	1,039,035
10. Insurance	25,919	29,541	443	55,903
11. Directors' fees	19,919	25,707	432	46,058
12. Travel and travel items	67,804	76,308	2,148	146,259
13. Rent and rent items	104,239	22,569	13,967	140,775
14. Equipment	70,097	112,081	4,791	186,969
15. Cost or depreciation of EDP equipment and software	191,515	282,180	0	473,694
16. Printing and stationery	15,268	37,322	279	52,869
17. Postage, telephone and telegraph, exchange and express	94,339	263,964	25,182	383,485
18. Legal and auditing	28,907	71,099	2,507	102,514
19. Totals (Lines 3 to 18)	3,493,184	5,124,042	93,091	8,710,316
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		983,874		983,874
20.2 Insurance department licenses and fees		88,548		88,548
20.3 Gross guaranty association assessments		(4,775)		(4,775)
20.4 All other (excluding federal and foreign income and real estate)		9,640		9,640
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	1,077,286	0	1,077,286
21. Real estate expenses			296,056	296,056
22. Real estate taxes			110,355	110,355
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	587,635	1,233,998	314,267	2,135,900
25. Total expenses incurred	5,170,239	15,245,729	813,769	(a) 21,229,736
26. Less unpaid expenses-current year	6,175,665	3,142,924	118,416	9,437,005
27. Add unpaid expenses-prior year	6,275,238	2,982,857	117,165	9,375,259
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	5,269,812	15,085,662	812,517	21,167,991
DETAILS OF WRITE-INS				
2401. Software Expense.....	293,418	432,252	45,794	771,464
2402. Miscellaneous Expense.....	97,900	522,920	17,875	638,696
2403. Donations.....	42,909	56,532	395	99,835
2498. Summary of remaining write-ins for Line 24 from overflow page	153,408	222,294	250,203	625,905
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	587,635	1,233,998	314,267	2,135,900

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....141,281	.....144,465
1.1	Bonds exempt from U.S. tax	(a).....465,107	.....442,115
1.2	Other bonds (unaffiliated)	(a).....915,905	.....898,992
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....75,542	.....85,934
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....(3,847)	.....(3,847)
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....522,000	.....522,000
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....42,621	.....45,729
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	2,158,609	2,135,389
11.	Investment expenses		(g).....813,769
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....187,029
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....1,000,798
17.	Net investment income (Line 10 minus Line 16)		1,134,591
DETAILS OF WRITE-INS			
0901.	.....		.....
0902.	.....		.....
0903.	.....		.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$38,247 accrual of discount less \$745,805 amortization of premium and less \$54,538 paid for accrued interest on purchases.
(b) Includes \$ amortization of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$522,000 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$187,029 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	109,340		109,340	(21,302)	
1.1	Bonds exempt from U.S. tax	(13,117)		(13,117)		
1.2	Other bonds (unaffiliated)	675,530		675,530	(195,085)	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	40,156	0	40,156	(243,689)	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	19,312	0	19,312	0	0
2.21	Common stocks of affiliates	0	0	0	482,061	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	0	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	831,221	0	831,221	21,985	0
DETAILS OF WRITE-INS						
0901.	.....			0		
0902.	.....			0		
0903.	.....			0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	54,894	39,159	(15,735)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	1,633	1,190	(443)
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	119,687	169,603	49,916
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	594,521	410,622	(183,900)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	96,989	148,890	51,901
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	867,724	769,464	(98,260)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	867,724	769,464	(98,260)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.		0	0
2502. Prepaid Expenses.....	96,989	148,890	51,901
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	96,989	148,890	51,901

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES AND GOING CONCERN

A. Accounting Practices

The accompanying financial statements of Integrity Mutual Insurance Company (the Company) have been prepared in conformity with the National Association of Insurance Commissioners *Annual Statement Instructions* and *Accounting Practices and Procedures* manual, and The Ohio Department of Insurance (the Department).

	SSAP #	F/S Page	F/S Line #	2018	2017
<u>NET INCOME</u>					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 4,012,131	\$ 3,397,560
(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)	XXX	XXX	XXX	\$ 4,012,131	\$ 3,397,560
<u>SURPLUS</u>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 57,759,132	\$ 53,737,403
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:				\$	\$
(7) State Permitted Practices that increase/(decrease) NAIC SAP:				\$	\$
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 57,759,132	\$ 53,737,403

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

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

C. Accounting Policy

Premiums are earned over the term of the related insurance policies and facultative reinsurance contracts. Premiums are earned when written on all other reinsurance contracts. Unearned premium reserves are established based on the daily pro-rata method, to cover the unexpired portion of premiums written.

Expenses associated with acquiring business, such as commissions and other underwriting expenses, are expensed as incurred.

Values are stated in conformity with the procedures prescribed by the NAIC.

In addition, the Company uses the following accounting policies:

- (1) The Company does not have short-term investments.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method. SVO-identified in SSAP No. 26R are stated at fair value.
- (3) Affiliated common stock is stated at the NAIC equity method 2ciB1 of the SVO Purposes and Procedures manual.
- (4) Preferred stocks are stated at cost.
- (5) The Company does not have mortgage loans.
- (6) Loan-backed bonds are carried at amortized cost using the retrospective yield method including anticipated prepayments at the date of purchase with adjustments for subsequent changes in estimated cash flow. These assumptions are updated for changes in current interest rates and economic environment.

NOTES TO FINANCIAL STATEMENTS

- (7) Accounting policies with respect to investments in affiliated companies; see note 1. C. (3).
- (8) The Company has no investments in joint ventures, partnerships and limited liability companies.
- (9) The Company does not have derivatives.
- (10) The Company did not consider anticipated investment income when calculating its premium deficiency reserves.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates, loss reports, and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of, or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not have pharmaceutical rebate receivables.

D. Going Concern - Not applicable

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. Material Changes in Accounting Principle or Error Correction

During the year, the Company did not discover any material errors or necessary changes to accounting principles.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable

4. DISCONTINUED OPERATIONS

Not applicable

5. INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from Hub Data and Bloomberg. These assumptions are consistent with current interest rate and economic environment.

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	\$.....0
2. 12 Months or Longer	\$..... (96,553)

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

1. Less than 12 Months	\$.....0
2. 12 Months or Longer	\$..... 3,104,706

5. According to SSAP 43R, loan-backed and structured securities with an unrealized loss position were reviewed according to the pronouncement that became effective on 9/30/09. The best estimate of future cash flows using the appropriate discount rate was calculated for each affected security, with other-than-temporary impairments realized to the extent that present value was less than amortized cost. Securities held with an intent to sell were other-than-temporary impaired to current fair value. Securities with a present value greater than amortized cost were not other-than-temporarily impaired.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None
- F. Repurchase Agreements Transaction Accounted for as Secured Borrowing – None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- H. Repurchase Agreements Transactions Accounted for as a Sale – None

NOTES TO FINANCIAL STATEMENTS

- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate – None
- K. Low-Income Housing – None
- L. Restricted Assets
1. Restricted Assets (Including Pledge)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	1,591,040				1,591,040	1,519,191	71,849
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$ 1,591,040	\$	\$	\$	\$ 1,591,040	\$ 1,519,191	\$ 71,849

(a) Subset of column 1
(b) Subset of column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$	\$	%	%
b. Collateral held under security lending agreements				
c. Subject to repurchase agreements				
d. Subject to reverse repurchase agreements				
e. Subject to dollar repurchase agreements				
f. Subject to dollar reverse repurchase agreements				
g. Placed under option contracts				
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock				
i. FHLB capital stock				
j. On deposit with states		1,591,040	1.4	1.4
k. On deposit with other regulatory bodies				
l. Pledged as collateral to FHLB (including assets backing funding agreements)				
m. Pledged as collateral not captured in other categories				
n. Other restricted assets				
o. Total Restricted Assets	\$	\$ 1,591,040	1.4 %	1.4 %

- M. Working Capital Finance Investment – None
- N. Offsetting and Netting of Assets and Liabilities – None

NOTES TO FINANCIAL STATEMENTS

O. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage- Referenced Security (YES/NO)
06048W-QR-4	\$ 250,000	\$ 224,035	\$ 250,000	NO
3130A9-X6-3	\$ 998,760	\$ 960,950	\$ 998,904	NO
3130A9-YG-0	\$ 1,000,000	\$ 941,000	\$ 999,993	NO
3134GB-P6-3	\$ 500,000	\$ 493,065	\$ 499,994	NO
3136G2-ZP-5	\$ 483,750	\$ 485,290	\$ 486,800	NO
38141G-WJ-9	\$ 250,880	\$ 239,998	\$ 250,665	NO
61760Q-LR-3	\$ 300,000	\$ 292,125	\$ 300,000	NO
78012K-FG-7	\$ 100,000	\$ 97,470	\$ 100,425	NO
912810-FR-4	\$ 112,771	\$ 111,681	\$ 114,216	NO
912810-FS-2	\$ 88,662	\$ 88,379	\$ 90,743	NO
912810-PV-4	\$ 100,075	\$ 99,971	\$ 102,653	NO
912810-PZ-5	\$ 79,407	\$ 79,082	\$ 80,839	NO
912810-QV-3	\$ 62,859	\$ 64,978	\$ 66,619	NO
912810-RF-7	\$ 76,443	\$ 80,643	\$ 80,936	NO
912828-4H-0	\$ 177,746	\$ 178,190	\$ 179,856	NO
912828-B2-5	\$ 114,658	\$ 117,343	\$ 120,401	NO
912828-K3-3	\$ 369,150	\$ 369,414	\$ 375,748	NO
912828-MF-4	\$ 206,167	\$ 204,479	\$ 209,035	NO
912828-NM-8	\$ 262,335	\$ 260,338	\$ 264,649	NO
912828-PP-9	\$ 423,569	\$ 422,285	\$ 433,355	NO
912828-Q6-0	\$ 321,228	\$ 321,599	\$ 327,056	NO
912828-QV-5	\$ 272,279	\$ 271,863	\$ 276,043	NO
912828-S5-0	\$ 30,128	\$ 29,711	\$ 30,311	NO
912828-SA-9	\$ 390,039	\$ 402,316	\$ 410,982	NO
912828-TE-0	\$ 370,647	\$ 383,407	\$ 392,034	NO
912828-UH-1	\$ 342,224	\$ 354,450	\$ 361,945	NO
912828-V4-9	\$ 40,295	\$ 39,770	\$ 41,654	NO
912828-VM-9	\$ 267,085	\$ 265,592	\$ 268,415	NO
912828-X3-9	\$ 300,999	\$ 301,741	\$ 306,538	NO
912828-XL-9	\$ 84,595	\$ 85,317	\$ 88,800	NO
Total	\$ 8,376,751	\$ 8,266,482	\$ 8,509,609	XXX

- P. 5* Securities – None
Q. Short Sales – None
R. Prepayment Penalty and Acceleration Fees – None

	General Account	Protected Cell
(1) Number of CUSIPs	.....2	.....
(2) Aggregate Amount of Investment Income	.....52,053	.....

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable

7. INVESTMENT INCOME

All investment income due and accrued with amounts that are over 90 days past due are excluded from surplus. The total amount excluded at December 31, 2018 was \$0.

8. DERIVATIVE INSTRUMENTS

Not applicable

9. INCOME TAXES

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

1.	12/31/2018		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$.....2,435,745	\$32,636	\$ 2,468,381
(b) Statutory Valuation Allowance Adjustments	\$.....	\$	\$
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$.....2,435,745	\$32,636	\$ 2,468,381
(d) Deferred Tax Assets Nonadmitted	\$..... 91,904	\$27,783	\$ 119,687
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$.....2,343,841	\$4,853	\$ 2,348,694
(f) Deferred Tax Liabilities	\$.....213,949	\$4,853	\$ 218,802
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....2,129,892	\$	\$ 2,129,892

NOTES TO FINANCIAL STATEMENTS

12/31/2017			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Gross Deferred Tax Assets	\$.....2,155,156	\$39,834	\$ 2,194,990
(b) Statutory Valuation Allowance Adjustments	\$.....	\$	\$
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$.....2,155,156	\$39,834	\$ 2,194,990
(d) Deferred Tax Assets Nonadmitted	\$.....169,603	\$	\$ 169,603
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$.....1,985,553	\$39,834	\$ 2,025,387
(f) Deferred Tax Liabilities	\$..... 88,629	\$101,469	\$ 190,098
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....1,896,924	\$ (61,635)	\$ 1,835,289

Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
(a) Gross Deferred Tax Assets	\$.....280,589	\$ (7,198)	\$ 273,391
(b) Statutory Valuation Allowance Adjustments	\$.....	\$	\$
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$.....280,589	\$ (7,198)	\$ 273,391
(d) Deferred Tax Assets Nonadmitted	\$.....(77,699)	\$27,783	\$ (49,916)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$.....358,288	\$ (34,981)	\$ 323,307
(f) Deferred Tax Liabilities	\$.....125,320	\$ (96,616)	\$ 28,704
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$.....232,968	\$ 61,635	\$ 294,603

2.

12/31/2018			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....1,911,758	\$	\$ 1,911,758
(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)	\$.....218,135	\$	\$ 218,135
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$.....218,135	\$	\$ 218,135
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	<u>XXX</u>	<u>XXX</u>	\$ 5,332,791
(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.	\$.....213,949	\$4,853	\$ 218,802
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$.....2,343,842	\$4,853	\$ 2,348,695

12/31/2017			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$.....1,596,460	\$	\$ 1,596,460
(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)	\$.....238,829	\$	\$ 238,829
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$.....238,829	\$	\$ 238,829
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	<u>XXX</u>	<u>XXX</u>	\$ 5,332,791
(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.	\$.....150,264	\$39,834	\$ 190,098
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$.....1,985,553	\$39,834	\$ 2,025,387

NOTES TO FINANCIAL STATEMENTS

		Change		
		(7)	(8)	(9)
		(Col 1-4)	(Col 2-5)	(Col 7+8)
		Ordinary	Capital	Total
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$315,298	\$	\$ 315,298
(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)	\$(20,694)	\$	\$ (20,694)
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$(20,694)	\$	\$ (20,694)
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 63,685	\$ (34,981)	\$ 28,704
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total	(2(a) + 2(b) + 2(c))	\$358,289	\$ (34,981)	\$ 323,308
3.		2018	2017	
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	.....1,458.5	.....1,534.5	
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$54,856,529	\$46,210,430	
4.		12/31/2018		
		(1)	(2)	
		Ordinary	Capital	
Impact of Tax-Planning Strategies				
(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)	.....2,435,745	.....32,636	
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies			
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....1,985,553	.....39,834	
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies			
		12/31/2017		
		(3)	(4)	
		Ordinary	Capital	
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	.....2,155,156	.....39,834	
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies			
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....1,985,553	.....39,834	
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies			
		Change		
		(5)	(6)	
		(Col 1-3)	(Col 2-4)	
		Ordinary	Capital	
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	.....280,589	.....(7,198)	
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies			
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	.....358,288	.....(34,981)	
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies			
(b)	Does the Company's tax-planning strategies include the use of reinsurance?	Yes	No.....X	

NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)
	12/31/2018	12/31/2017	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$.....1,156,280	\$1,108,149	\$48,131
(b) Foreign	\$.....	\$	\$
(c) Subtotal	\$.....1,156,280	\$1,108,149	\$48,131
(d) Federal income tax on net capital gains	\$.....174,556	\$498,577	\$(324,021)
(e) Utilization of capital loss carry-forwards	\$.....	\$	\$
(f) Other	\$.....(292,398)	\$(48,598)	\$(243,800)
(g) Federal and foreign income taxes incurred	\$.....1,038,438	\$1,558,128	\$(519,690)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$.....543,721	\$155,047	\$388,674
(2) Unearned premium reserve	\$.....844,802	\$816,657	\$28,145
(3) Policyholder reserves	\$.....	\$	\$
(4) Investments	\$.....	\$	\$
(5) Deferred acquisition costs	\$.....	\$	\$
(6) Policyholder dividends accrual	\$.....	\$	\$
(7) Fixed assets	\$.....	\$	\$
(8) Compensation and benefits accrual	\$.....557,763	\$583,632	\$(25,869)
(9) Pension accrual	\$.....312,708	\$319,050	\$(6,342)
(10) Receivables - nonadmitted	\$.....157,088	\$260,917	\$(103,829)
(11) Net operating loss carry-forward	\$.....	\$	\$
(12) Tax credit carry-forward	\$.....	\$	\$
(13) Other (including items <5% of total ordinary tax assets)	\$.....19,664	\$19,853	\$(189)
(99) Subtotal	\$.....2,435,746	\$2,155,156	\$280,590
(b) Statutory valuation allowance adjustment	\$.....	\$	\$
(c) Nonadmitted	\$.....91,904	\$169,603	\$(77,699)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$.....2,343,842	\$1,985,553	\$358,289
(e) Capital:			
(1) Investments	\$.....32,636	\$39,834	\$(7,198)
(2) Net capital loss carry-forward	\$.....	\$	\$
(3) Real estate	\$.....	\$	\$
(4) Other (including items <5% of total capital tax assets)	\$.....	\$	\$
(99) Subtotal	\$.....32,636	\$39,834	\$(1,798)
(f) Statutory valuation allowance adjustment	\$.....	\$	\$
(g) Nonadmitted	\$.....27,783	\$	\$27,783
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$.....4,853	\$39,834	\$(34,981)
(i) Admitted deferred tax assets (2d + 2h)	\$.....2,348,695	\$2,025,387	\$323,308
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$.....10,382	\$25,097	\$(14,715)
(2) Fixed assets	\$.....8,340	\$23,055	\$(14,715)
(3) Deferred and uncollected premium	\$.....9,106	\$8,935	\$171
(4) Policyholder reserves	\$.....14,479	\$4,319	\$10,160
(5) Other (including items<5% of total ordinary tax liabilities)	\$.....171,641	\$27,223	\$144,418
(99) Subtotal	\$.....213,948	\$88,629	\$125,319
(b) Capital:			
(1) Investments	\$.....	\$	\$
(2) Real estate	\$.....	\$	\$
(3) Other (including items <5% of total capital tax liabilities)	\$.....4,853	\$101,469	\$(96,616)
(99) Subtotal	\$.....4,853	\$101,469	\$(96,616)
(c) Deferred tax liabilities (3a99 + 3b99)	\$.....218,801	\$190,098	\$28,703
4. Net deferred tax assets/liabilities (2i - 3c)	\$.....2,129,894	\$1,835,289	\$294,605

NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxed incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	Amount	Tax Effect	Effective Tax Rate
1. Description:			
(a) Income Before Taxes	\$ 5,050,569	1,060,619	21.00%
(b) Tax-Exempt Interest	\$ (442,115)	(92,844)	-1.88%
(c) Dividends Received Deduction	\$ (55,000)	(11,550)	-0.23%
(d) Proration	\$ 124,279	26,099	0.52%
(e) Meals & Entertainment, Lobbying Expenses, Etc.	\$ 201,400	42,294	0.84%
(f) Pension	\$ (619,144)	(130,020)	-2.57%
(g) Non-admit Change	\$ 494,425	103,829	2.06%
(h) Donation of Securities	\$ 0	0	0.00%
(i) Rate Change	\$ (877,801)	(114,114)	-2.26%
(j) Other, Including Prior Year True-Up	\$ 28,829	6,054	0.12%
Total	\$ 3,905,442	890,367	17.63%
2. Description:			
(a) Federal Income Tax Incurred [Expense/(Benefit)]		\$ 863,882	17.10%
(b) Tax on Capital Gains/(Losses)		\$ 174,556	3.46%
(c) Change in Net Deferred Income Tax [Charge/(Benefit)]		\$ (148,071)	-2.93%
Total		\$ 890,367	17.63%

E. Carryforwards, recoverable taxes, and IRC S6603 deposits:

1.

At December 31, 2018, the Company had net operating loss carry forwards of: \$.....0

At December 31, 2018, the Company had capital loss carry forwards of: \$..... 0

At December 31, 2018, the Company had AMT credit carry forwards, which do not expire, in the amount of: \$..... 0

2.

The following is income tax expense that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2016	\$ 0	\$ 993,750	\$ 993,750
2017	\$ 795,503	\$ 518,825	\$ 1,314,328
2018	\$ 1,156,280	\$ 174,556	\$ 1,330,836
Total	\$ 1,951,783	\$ 1,687,131	\$ 3,638,914

3.

Deposits admitted under IRC S6603:
NONE

F. The Company’s federal income tax return is consolidated with the following entities:

1. Integrity Property & Casualty Insurance Company and Integrity Select Insurance Company
2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate company basis with current credit for losses.

G. Federal or foreign income tax loss contingencies:
The Company has no liability recorded for uncertain tax positions.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A-C. The Company participates in a reinsurance pooling agreement with the Grange Mutual Casualty Group. Under the terms of the pooling agreement, the Company cedes 100% of its underwriting results after cessions to non-affiliated reinsurers and assumes 4.0% of the Group's underwriting results.

The Company owns a 100% share in Integrity Property and Casualty Insurance Company and Integrity Select Insurance Company.

On June 4, 2018, the Company announced a plan to convert its corporate structure to a Mutual Holding Company structure. Through this conversion, the Company and its affiliate, Grange Mutual Casualty Company (“GMCC”), will become stock companies and change their names to Integrity Insurance Company (“IIC”) and Grange Insurance Company (“GIC”), respectively. IIC, and its wholly owned subsidiaries, along with GIC, and its wholly owned subsidiaries, will be owned by a new holding company, Grange Holdings, Inc. (“GHI”), which will be 100% owned by a new mutual holding company, Grange Mutual Holding Company (“GMHC”). The conversion plan was approved by the policyholders of the Company and GMCC in July 2018 and was approved by the Department in September 2018. The change in structure will be effective on January 1, 2019.

- D. The Company reported \$2,720,876 as the amount payable to affiliates at December 31, 2018 and \$1,277,821 as the amount payable to affiliates at December 31, 2017. Intercompany balances are settled 45 days following quarter end.
- E. Guarantees or Contingencies for Related Parties – None
- F. The Company has a cost sharing agreement with Grange Mutual Casualty Company.
- G. The Company is a member of a pooling agreement as detailed in Note 26.
- H. Amount Deducted for Investment in Upstream Company – Not applicable
- I. Investments in Affiliates Greater than 10% of Admitted Assets – See A-C above

NOTES TO FINANCIAL STATEMENTS

- J. The Company did not recognize any impairment write down for its investment in Subsidiary, Controlled or Affiliated Companies during the period.
- K. The Company does not have investments in a foreign insurance subsidiary.
- L. The Company does not have an investment in a downstream noninsurance company
- M. The Company does not have any SCA investments.
- N. The Company does not have an investment in an insurance SCA.
- O. The Company does not have any SCA losses.

11. DEBT

Not applicable

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company sponsors a non-contributory defined benefit pension plan (the Plan) that covers substantially all full-time employees hired before July 1, 2008. Benefits are based on years of service and the five highest consecutive years of compensation. Effective July 1, 2008, the Plan froze participation to new participants and rehires. There will be no change in plan provisions or eligible benefits for employees hired on or before June 30, 2008.

The Company also provides postretirement healthcare insurance benefits (the Postretirement Plan) to employees with ten years or more of experience and who retired on or before December 31, 2017. Eligible associates can participate in the Postretirement Plan from ages 55 to 65, or until such time that they qualify for Medicare coverage.

There were no amendments to the Plan during year ended December 31, 2018 and 2017. There were no amendments to the Postretirement Plan during the years ended December 31, 2018 and 2017.

A summary of assets, obligations and assumptions of the Pension and Postretirement Plans is as follows at December 31, 2018 and 2017:

A. Defined Benefit Plan

(1) Change in benefit obligation

a. Pension Benefits

	<u>Overfunded</u>		<u>Underfunded</u>	
	2018	2017	2018	2017
1. Benefit obligation at beginning of year	\$	\$	\$.....16,898,949	\$.....16,042,800
2. Service cost	\$	\$	\$.....296,174	\$.....336,541
3. Interest cost	\$	\$	\$.....524,162	\$.....549,945
4. Contribution by plan participants	\$	\$	\$	\$
5. Actuarial gain (loss)	\$	\$	\$.....(1,178,892)	\$.....1,221,183
6. Foreign currency exchange rate changes	\$	\$	\$	\$
7. Benefits paid	\$	\$	\$.....(722,510)	\$.....(1,251,520)
8. Plan amendments	\$	\$	\$	\$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$	\$
10. Benefit obligation at end of year	\$	\$	\$.....15,817,883	\$.....16,898,949

b. Postretirement Benefits

	<u>Overfunded</u>		<u>Underfunded</u>	
	2018	2017	2018	2017
1. Benefit obligation at beginning of year	\$	\$	\$.....172,762	\$.....371,804
2. Service cost	\$	\$	\$	\$.....33,056
3. Interest cost	\$	\$	\$	\$.....13,775
4. Contribution by plan participants	\$	\$	\$	\$.....30,157
5. Actuarial gain (loss)	\$	\$	\$	\$.....(9,724)
6. Foreign currency exchange rate changes	\$	\$	\$	\$
7. Benefits paid	\$	\$	\$	\$.....(25,303)
8. Plan amendments	\$	\$	\$	\$.....(241,003)
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$	\$
10. Benefit obligation at end of year	\$	\$	\$.....172,762	\$.....172,762

c. Special or Contractual Benefits Per SSAP No. 11

	<u>Overfunded</u>		<u>Underfunded</u>	
	2018	2017	2018	2017
1. Benefit obligation at beginning of year	\$	\$	\$	\$
2. Service cost	\$	\$	\$	\$
3. Interest cost	\$	\$	\$	\$
4. Contribution by plan participants	\$	\$	\$	\$
5. Actuarial gain (loss)	\$	\$	\$	\$
6. Foreign currency exchange rate changes	\$	\$	\$	\$
7. Benefits paid	\$	\$	\$	\$
8. Plan amendments	\$	\$	\$	\$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$	\$
10. Benefit obligation at end of year	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

(2) Change in plan assets

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>		<u>Special or Contractual Benefits</u> <u>Per SSAP No. 11</u>	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
a. Fair value of plan assets at beginning of year	\$.. 15,379,661	\$.. 13,646,574	\$	\$	\$	\$
b. Actual return on plan assets	\$ (828,353)	\$ 1,734,607	\$	\$	\$	\$
c. Foreign currency exchange rate changes	\$	\$	\$	\$	\$	\$
d. Reporting entity contribution	\$ 500,000	\$ 1,250,000	\$	\$ (4,854)	\$	\$
e. Plan participants' contributions	\$	\$	\$	\$ 30,157	\$	\$
f. Benefits paid	\$ (722,510)	\$.. (1,251,520)	\$	\$ (25,303)	\$	\$
g. Business combinations, divestitures and settlements	\$	\$	\$	\$	\$	\$
h. Fair value of plan assets at end of year	\$.. 14,328,798	\$.. 15,379,661	\$	\$	\$	\$

(3) Funded status

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>	
	2017	2017	2017	2017
a. Components				
1. Prepaid benefit costs	\$	\$	\$	\$
2. Overfunded plan assets	\$	\$	\$	\$
3. Accrued benefits costs	\$ (1,489,085)	\$ (1,519,288)	\$ (172,762)	\$ (172,762)
4. Liability for pension benefits	\$	\$	\$	\$
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	\$	\$	\$	\$
2. Liabilities recognized	\$ (1,489,085)	\$ (1,519,288)	\$ (172,762)	\$ (172,762)
c. Unrecognized liabilities	\$	\$	\$	\$

(4) Components of net periodic benefit cost

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>		<u>Special or Contractual Benefits Per</u> <u>SSAP No. 11</u>	
	2018	2017	2018	2017	2018	2017
a. Service cost	\$ 296,174	\$ 336,541	\$	\$ 33,056	\$	\$
b. Interest cost	\$ 524,162	\$ 549,945	\$	\$ 13,775	\$	\$
c. Expected return on plan assets	\$ (885,653)	\$ (823,557)	\$	\$	\$	\$
d. Transition asset or obligation	\$ 501,741	\$ 393,848	\$	\$	\$	\$
e. Gains and losses	\$	\$	\$	\$	\$	\$
f. Prior service cost or credit	\$ (125,439)	\$ (125,439)	\$	\$ 14,857	\$	\$
g. Gain or loss recognized due to a settlement or curtailment	\$	\$	\$	\$	\$	\$
h. Total net periodic benefit cost	\$ 310,985	\$ 331,338	\$	\$ 61,688	\$	\$

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>	
	2018	2017	2018	2017
a. Items not yet recognized as a component of net periodic cost - prior year	\$ (4,421,846)	\$ (4,380,122)	\$ 133,014	\$ (132,570)
b. Net transition asset or obligation recognized	\$	\$	\$	\$
c. Net prior service cost or credit arising during the period	\$ (125,439)	\$ (125,439)	\$	\$ 241,003
d. Net prior service cost or credit recognized	\$	\$	\$ (27,715)	\$ 14,857
e. Net gain and loss arising during the period	\$ (33,373)	\$ 83,715	\$ 12,211	\$ 9,724
f. Net gain and loss recognized	\$	\$	\$	\$
g. Items not yet recognized as a component of net periodic cost - current year	\$ (4,580,658)	\$ (4,421,846)	\$ 117,510	\$ 133,014

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>	
	2018	2017	2018	2017
a. Net transition asset or obligation	\$	\$	\$	\$
b. Net prior service cost or credit	\$ (125,439)	\$ (125,439)	\$	\$ (27,715)
c. Net recognized gains and losses	\$ 512,378	\$ 501,741	\$	\$

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>	
	2018	2017	2018	2017
a. Net transition asset or obligation	\$	\$	\$	\$
b. Net prior service cost or credit	\$	\$	\$ 117,510	\$ 145,225
c. Net recognized gains and losses	\$ (4,580,658)	\$ (4,421,846)	\$	\$ (12,211)

(8) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31

	2018	2017
a. Weighted-average discount rate	..... 3.650	..... 4.200
b. Expected long-term rate of return on plan assets	..... 6.500	..... 6.750
c. Rate of compensation increase	..... 3.000	..... 3.000

Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:

	2018	2017
d. Weighted-average discount rate	..... 4.200	..... 3.650
e. Rate of compensation increase	..... 3.000	..... 3.000

For measurement purposes, a 7.00% annual rate of increase in per capita cost of covered health care benefits was assumed for 2017. The rate is assumed to decrease gradually to 4.50% for 2023, and remain at that level thereafter.

(9) The amount of accumulated benefit obligation for the defined pension plan was \$14,782,239 for 2018 and \$15,822,728 for 2017.

(10) For the postretirement health care plan a cost trend rate was 10% graded to 6% over 12 years up to age 65, and 8.0% to 6.0% over 12 years at age 65 and over.

NOTES TO FINANCIAL STATEMENTS

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$ (137)	\$ 142
b. Effect on postretirement benefit obligation	\$ (5,054)	\$ 5,279

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	<u>Year(s)</u>	<u>Amount</u>
a.	2019	\$..... 1,100,000
b.	2020	\$..... 960,000
c.	2021	\$..... 820,000
d.	2022	\$..... 1,090,000
e.	2023	\$..... 1,310,000
f.	Thereafter Total	\$..... 5,860,000

(13) The Company does not have a regulatory pension plan contribution requirement and does not expect any noncash contributions during 2019.

(14) Securities, Insurance Contracts, and other Employer Transactions - Not Applicable

(15) Alternative method used to amortize prior service amounts or net gains and losses – Not Applicable

(16) Substantive commitment used as basis for accounting for the benefit obligation – Not Applicable

(17) Cost of providing special or contractual termination benefits recognized during the period – Not Applicable

(18) Explanation of significant change in the benefit obligation or plan assets not otherwise apparent – Not Applicable

(19) The amount and timing of plan assets expected to be returned in the next twelve months: None

(20) The Company fully transitioned on January 1, 2013

(21) On January 1, 2013, the Company adopted SSAP No. 92, Accounting for Postretirement Benefits Other Than Pensions - A Replacement of SSAP No. 14 and SSAP No. 102, Accounting for Pensions - A Replacement of SSAP No. 89. The standards require insurers to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability and include non-vested employees in determining the plan obligations. In addition, a sponsor's fiscal year end will be used as the measurement date for estimating the fair value of postretirement benefit assets and liabilities. The Company elected to recognize the entire transition in 2013 and did NOT elect the option to recognize the initial impact to surplus over a period not to exceed 10 years.

B. The defined benefit pension plan asset allocation as of the measurement date, December 31, 2018 and the target asset allocation, presented as a percentage of total plan assets were as follows:

	2018	2017	Target Allocation
a. Bonds	.....45.8 %	.....40.5 %	30.0 % - 50.0 %
b. Equities	.....48.0 %	.....51.3 %	40.0 % - 60.0 %
c. Real Estate	.....5.2 %	.....6.9 %	5.0 % - 10.0 %
d. Cash and Cash Equivalents	.....1.0 %	.....1.3 %	0.5 % - 2.0 %
e. Total	.....100.0 %	.....100.0 %	

C.

(1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Bonds	\$6,567,121	\$	\$	\$.....6,567,121
Equities	\$6,871,658	\$	\$	\$.....6,871,658
Real Estate	\$748,025	\$	\$	\$.....748,025
Cash and Cash Equivalents	\$141,994	\$	\$	\$.....141,994
Total Plan Assets	\$14,328,798	\$	\$	\$.....14,328,798

(2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy – None

D. To develop the expected long-term rate of return on assets assumption, the Company considered the historical compound rates of return realized on Plan assets and the future expectations for returns by each asset class, as well as the target asset allocation of the overall portfolio. Evaluation of these factors resulted in the selection of the 6.50% long-term rate of return assumption that was used to calculate the net periodic pension cost for the Plan. This is a long-term assumption that generally does not change annually.

E. Defined Contribution Plan

The Company also sponsors a defined contribution 401(k) plan (DC Plan) covering substantially all employees. Company contributions to the DC Plan are discretionary and are limited to a maximum of 6% of eligible earnings. Effective July 1, 2008, the DC Plan was amended to add an additional annual non-elective 6% contribution for employees hired after June 30, 2008. There is no change in plan provisions for employees hired on or before June 30, 2008. Effective January 1, 2016, the DC Plan was amended to provide an additional annual non-elective 1.5% contribution for employees hired after December 31, 2015. There is no change in plan provisions for employees hired on or before December 31, 2015.

In 2018 and 2017, the Company contributed \$420,829 and \$447,000 to the DC Plan, respectively.

F. Multiemployer Plans - Not Applicable

G. Consolidating/Holding Company Plans - Not Applicable

H. Postemployment Benefits and Compensated Absences - Not Applicable

NOTES TO FINANCIAL STATEMENTS

- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
 - (1) Recognition of existence of the Act - Not Applicable
 - (2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost - Not Applicable
 - (3) Disclosure of Gross Benefits - Not Applicable

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- 1. The Company has no common stock outstanding.
- 2. The Company has no preferred stock outstanding.
- 3. Dividend Restrictions

The Company, being a mutual property and casualty insurance company, does not pay dividends to stockholders. The Company pays dividends on certain workers’ compensation policies. The maximum amount of dividends, which can be paid to policyholders by insurers domiciled in the state of Wisconsin without prior approval of the Office of the Commissioner of Insurance (OCI), is subject to restrictions relating to compulsory surplus. Compulsory surplus at December 31, 2018, was \$52,159,132. The Company’s excess of actual surplus over compulsory surplus was \$42,505,751. The amount of dividends incurred on a direct basis in 2018 was \$4,628,467.

- 4. Dates and Amounts of Dividends Paid - Not applicable
- 5. Amount of Ordinary Dividends That May be Paid - Not applicable
- 6. There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.
- 7. No advances to surplus were made.
- 8. No amounts of stock were held by the Company.
- 9. No special surplus funds are held.
- 10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$8,535,519.
- 11. Surplus Notes – Not applicable
- 12. There has not been a restatement due to prior quasi-reorganizations.
- 13. There has been no quasi-reorganization in the past 10 years.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

- A. Contingent Commitments – None
- B. Assessments

The Company has accrued and charged to operations in the current period, an amount for guaranty fund assessments based upon both notification of insolvency and reasonable estimates of liability prior to notification. The period over which the assessments are expected to be paid is greater than one year. The total accrued liability at December 31, 2018 is \$50,000. The company does not record premium tax offsets as an asset, since these amounts would be non-admitted, given the lengthy nature of the insolvency assessments.

- C. Gain Contingencies – None
- D. Claims Related Extra Contractual Obligation & Bad Faith Stemming from Lawsuits - None
- E. Product Warranties – None
- F. Joint and Several Liabilities - None
- G. All Other Contingencies

Lawsuits do arise against the Company in its normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. LEASES

- A. Lessee Operating Lease

(1) The Company leases EDP and office equipment under various noncancelable operating lease agreements that expire through October 2021. Rental expense for 2018 and 2017 was \$36,081 and \$39,027, respectively.

- (2)
 - a. At January 1, 2019, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2019	\$25,538
2.	2020	\$3,159
3.	2021	\$
4.	2022	\$
5.	2023	\$
6.	Total	\$28,697

- B. Lessor Leases – None

NOTES TO FINANCIAL STATEMENTS

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 EXTINGUISHMENTS OF LIABILITES

Not applicable

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Not applicable

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

Not applicable

20. FAIR VALUE MEASUREMENT

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total	Net Asset Value (NAV) Included in Level 2
a. Assets at fair value					
Perpetual Preferred Stock - Industrial & Misc	\$ 833,159 ..	\$	\$	\$ 833,159 ..	\$
Bonds - Industrial & Misc.....	\$ 1,707,440 ..	\$	\$	\$ 1,707,440 ..	\$
Common Stock - Parent, Subs, & Affl.....	\$	\$ 19,535,519 ..	\$ 19,535,519 ..	\$ 19,535,519 ..	\$
Total assets at fair value	\$ 833,159 ..	\$ 1,707,440 ..	\$ 19,535,519 ..	\$ 22,076,118 ..	\$

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

Description	Beginning Balance at 01/01/2018	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlement	Ending Balance at 12/31/2018
a. Assets:										
Common Stock	19,053,459				482,060					19,535,519
Total Assets	19,053,459				482,060					19,535,519

(3) The reporting entity’s policy is to recognize transfers in and out as the end of the reporting period

(4). As of December 31, 2018, the reported fair value of the entity's investments categorized within Level 2 and Level 3 of the fair value hierarchy are as follows:

Bonds - According to statutory accounting rules, fixed income securities with a rating of NAIC 1 or 2 are reported at amortized cost. Securities with a rating of NAIC 3 thru 6, or non-investment grade ratings, are measured and reported at the lower of amortized cost or fair value on the statement of financial position. Therefore, the Company reported \$1,707,440 of bonds with non-investment grade ratings at fair value on the statement of financial position as of December 31, 2018. At the end of every quarter and at year-end, the Company utilizes fair values provided its custodian, Northern Trust. Fair value is determined by evaluations that are based on observable market information rather than market quotes. Inputs to the evaluations include, but are not limited to, market prices from recently completed transactions and transactions of comparable securities, credit spreads, interest rate yield curves, and other market-observable information. Thus, fixed income securities measured and reported at fair value are included in the amounts disclosed in Level 2 of the hierarchy.

Parents, Subsidiaries, and Affiliates – The Company’s investments in two subsidiaries is measured and reported at fair value as of December 31, 2018, totaling \$19.5 million in aggregate. Fair value measurement is determined by the individual entity’s surplus at the end of a period, or the amount by which assets exceed liabilities. Each investment is in the insurance industry, where by its assets are largely comprised of fixed income securities carried at amortized cost and its liabilities represent reserves for underwriting losses. Some inputs to the valuation methodology are unobservable and significant to the fair value measurement, and result in disclosure at Level 3.

(5). Derivative assets and liabilities - None

B. Not required

NOTES TO FINANCIAL STATEMENTS

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds.....	\$...65,274,697	\$..65,911,106	\$	\$...65,073,209	\$201,488	\$	\$
Common Stock	\$...19,535,519	\$..19,535,519	\$	\$	\$..19,535,519	\$	\$
Perpetual Preferred	\$1,309,006	\$1,235,662	\$833,159	\$475,847	\$	\$	\$
Money Market	\$1,414,294	\$1,414,294	\$1,414,294	\$	\$	\$	\$

- D. Not Practicable to Estimate Fair Value
- E. NAV Method

21. OTHER ITEMS

- A. Extraordinary Items - Not Applicable
- B. Troubled Debt Restructuring - Not Applicable
- C. Other Disclosures & Unusual Items - Not Applicable
- D. Business Interruption Insurance Recoveries - Not Applicable
- E. State Transferable & Non-transferable Tax Credits – Not Applicable
- F. Subprime Mortgage Related Risk Exposure

1. Management Definition of Exposure to Subprime Mortgage Related Risk:

Management defines “subprime” mortgage loans as mortgage loans that are originated with an inherently higher risk profile or have a loan structure that is distinctly different from that of traditional mortgage loans. Management considers the following factors in determining whether or not a mortgage represents a subprime risk: borrowers with low credit ratings (FICO score); unconventionally high initial loan-to-value ratios (LTVs); unconventionally structured loans (option pay adjustable rate mortgages or negative amortizing loans); unconventionally high interest rates; and less than conventional documentation of the borrower’s income and/or assets.

The Company does not invest in mortgage loans on a direct basis, nor is it in the practice of originating mortgage loans.

- 2. The Company has no direct exposure through investments in subprime mortgage loans.
- 3. Estimated Direct Exposure to Subprime Mortgage Risk Through Other Investments:

Management considers the Company's holdings in securities with underlying subprime exposure to be minimal. The majority of residential mortgage backed securities (RMBS) in the portfolio are issued by government-sponsored enterprises (GSEs). Securities with collateral that contain subprime characteristics based on low credit (FICO scores less than 620) and/or high LTVs represent less than 1% of the Company's invested assets. In addition, these securities were issued prior to 2006. The Company's bond portfolio does not include any positions in collateralized debt obligations (CDOs) on a direct basis. On a quarterly basis, management reviews all loan-backed and structured securities with an unrealized loss position according to SSAP 43-R. The best estimate of future cash flows using the appropriate discount rate is calculated for each affected security. To assist in this effort, a brokerage firm provides forward-looking assumptions for default rates, voluntary prepayment speeds, and loss severities on a majority of the securities governed by SSAP 43R. The outcome of this process assures that anticipated cash flows will not be less than the carrying value subsequent to other-than-temporary impairments. As of December 31, 2018, management estimates there were no unrealized losses present due to subprime mortgage exposure.

Estimated direct exposure to subprime mortgage risk through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	491	568	1620	
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs *				
f. Other assets				
g. Total	491	568	1620	

4. Underwriting Exposure to Subprime Mortgage Risk:

The Company does not write Mortgage Guaranty or Financial Guaranty insurance coverage, nor does it write any other lines of insurance with underwriting exposure to subprime mortgage risk.

- G. Insurance Linked Securities (ILS) Contracts – Not Applicable

NOTES TO FINANCIAL STATEMENTS

22. EVENTS SUBSEQUENT

Effective January 1, 2019, the corporate structure converted into a new mutual holding company. Through this conversion, the Company and its affiliate, IMICO, and their subsidiaries became stock companies under Grange Holdings, Inc., which is 100% owned by Grange Mutual Holding Company. Additionally, at this conversion date, the Company and IMICO changed their names to Grange Insurance Company and Integrity Insurance Company, respectively.

There have been no other events after year end, but before the filing of this statement, which have a material effect upon the financial condition of the Company.

Did the reporting entity write accident and health insurance premium that is subject to section 9010 of the federal Affordable Care Act? No

23. REINSURANCE

A. Unsecured Reinsurance Recoverable

The Company has aggregate recoverable in excess of 3% of policyholders' surplus for the following:

Amounts shown are rounded to thousands.

Fed ID number	NAIC Company Code	Name of Reinsurer	Amount
13-2673100	22039	General Reinsurance Corporation	\$ 27,636
41-1357750	10181	Workers Compensation Reinsurance Association	\$ 11,863
13-4924125	10227	Munich Reinsurance America Inc	\$ 2,409

B. Reinsurance Recoverable in Dispute

Not applicable

C. Reinsurance Assumed and Ceded

(1)

		<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
		<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
a.	Affiliates	\$.. 19,875,146	\$ 3,577,526	\$.. 53,942,297	\$ 9,709,613	\$ (34,067,151)	\$..(6,132,087)
b.	All Other	\$ 124,495	\$	\$ 1,461,850	\$ 292,430	\$..(1,337,355)	\$(292,430)
c.	TOTAL	\$.. 19,999,641	\$ 3,577,526	\$.. 55,404,147	\$... 10,002,043	\$ (35,404,506)	\$..(6,424,517)
d.	Direct Unearned Premium Reserve			\$.. 55,279,652			

(2)

REINSURANCE

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 2,346,131	\$ 1,060,088	\$ 2,346,131	\$ 1,060,088
b. Sliding Scale Adjustments	\$	\$	\$	\$
c. Other Profit Commission Arrangements	\$	\$	\$	\$
d. TOTAL	\$ 2,346,131	\$ 1,060,088	\$ 2,346,131	\$ 1,060,088

- D. Uncollectible Reinsurance – Not applicable
- E. Commutation of Ceded Reinsurance - Not applicable
- F. Retroactive Reinsurance - Not applicable
- G. Reinsurance Accounted for as a Deposit - Not applicable
- H. Disclosure for the Transfer of Property and Casualty Run-off Agreements - Not applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not applicable
- J. Reinsurance Agreements Qualifying for Reinsurance Aggregation – Not applicable

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

- A. Methods used to estimate accrued retrospective premium adjustments: Not Applicable
- B. Method used to record accrued retrospective premium adjustments: Not Applicable
- C. Amount of net premiums written attributable to retrospective rating features: Not applicable
- D. Medical loss rebates: Not Applicable
- E. Nonadmitted retrospective premium: Not Applicable
- F. The Company does not write any accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions.

NOTES TO FINANCIAL STATEMENTS

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The changes in incurred losses and loss adjustment expenses attributable to insured events of prior years are generally a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

	2018	2017
Balance at January 1	\$ 37,569,211	\$ 31,064,813
Less reinsurance recoverables	9,636,576	8,084,596
Net balance at January 1	27,932,635	22,980,217
Incurred related to:		
Current year	32,726,838	31,953,076
Prior years	(3,265,734)	(1,844,895)
Total incurred	29,461,104	30,108,181
Paid related to:		
Current year	19,569,303	18,930,546
Prior years	11,227,310	6,225,219
Total paid	30,796,613	25,155,765
Net balance at December 31	26,597,126	27,932,635
Plus reinsurance recoverables	8,882,036	9,636,576
Balance at December 31	\$ 35,479,162	\$ 37,569,211

26. INTERCOMPANY POOLING ARRANGEMENTS

Effective January 1, 2017 the pooling agreement was modified to have the pooling percentages as follows:

		Pool		
		NAIC #	Share	
			12/31/2018	12/31/2017
Lead Company:	Grange Mutual Casualty Company	14060	96.0%	96.0%
Affiliates:	Trustgard Insurance Company	40118	0.0%	0.0%
	Grange Indemnity Insurance Company	10322	0.0%	0.0%
	Grange Insurance Company of Michigan	11136	0.0%	0.0%
	Grange Property & Casualty Insurance Company	11982	0.0%	0.0%
	Integrity Mutual Insurance Company	14303	4.0%	4.0%
	Integrity Property & Casualty Insurance Company	12986	0.0%	0.0%
	Integrity Select Insurance Company	10288	0.0%	0.0%

The intercompany pooling agreement cedes underwriting results back only to the two mutual parent companies, Grange Mutual Casualty Company and the Company, with their respective stock subsidiary companies receiving none from the Pool.

All lines of business are subject to the pooling agreement, with no exceptions. All members of the pool are parties to all reinsurance treaties entered into by the group with non-affiliated reinsurers. There are no discrepancies between the reinsurance schedules of the lead company and the reinsurance schedules of the other participants.

27. STRUCTURED SETTLEMENTS

All unassigned structured settlements where the claimant is the payee have amortized values, by company, less than 1% of the Company's surplus.

28. HEALTH CARE RECEIVABLES

Not applicable

29. PARTICIPATING POLICIES

Not applicable

30. PREMIUM DEFICIENCY RESERVES

- A.

Liability carried for premium deficiency reserves

\$0
- B.

Date of the most recent evaluation of this liability

..... 12/31/2018
- C.

Was anticipated investment income utilized in the calculation?

Yes [] No [X]

31. HIGH DEDUCTIBLES

Not applicable

NOTES TO FINANCIAL STATEMENTS

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

Not applicable

33. ASBESTOS / ENVIRONMENTAL RESERVES

The Company has exposure to environmental and asbestos claims arising from the sale of general liability insurance. The Company estimates the full impact of environmental and asbestos losses by establishing full case reserves on all known losses and computing incurred but not reported losses based on previous experience. No specific IBNR and/or bulk is held for environmental or asbestos reserves. IBNR and/or bulk is calculated on a line of business basis.

- 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. State the amount of ending reserves for Bulk & IBNR included in A (Loss & LAE) – None
- C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR) - None
- 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 ()

(1) Direct -

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. Beginning reserves:	\$..... 17,760	\$..... 15,534	\$..... 9,772	\$..... 17,883	\$.....217,944
b. Incurred losses and loss adjustment expense:	\$..... 8,029	\$..... 2,796	\$..... 21,110	\$.....255,545	\$.....11,273
c. Calendar year payments for losses and loss adjustment expenses:	\$..... 10,255	\$..... 8,558	\$..... 12,999	\$..... 55,484	\$.....15,096
d. Ending reserves:	\$..... 15,534	\$..... 9,772	\$..... 17,883	\$.....217,944	\$.....214,121

(2) Assumed Reinsurance -

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. Beginning reserves:	\$.....	\$.....	\$.....	\$.....	\$.....
b. Incurred losses and loss adjustment expense:	\$.....	\$.....	\$.....	\$.....	\$.....
c. Calendar year payments for losses and loss adjustment expenses:	\$.....	\$.....	\$.....	\$.....	\$.....
d. Ending reserves:	\$.....	\$.....	\$.....	\$.....	\$.....

(3) Net of Ceded Reinsurance -

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. Beginning reserves:	\$..... 5,215	\$.....5,442	\$.....(421)	\$..... 7,537	\$.....137,944
b. Incurred losses and loss adjustment expense:	..... 10,482	..... 2,695	..... 20,957	..... 185,391	.....7,046
c. Calendar year payments for losses and loss adjustment expenses:	..... 10,255	..... 8,558	..... 12,999	..... 55,484	.....10,748
d. Ending reserves:	\$..... 5,442	\$..... (421)	\$..... 7,537	\$..... 137,444	\$.....134,242

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

- (1) Direct Basis: \$..... 106,000
- (2) Assumed Reinsurance Basis: \$.....
- (3) Net of Ceded Reinsurance Basis: \$..... 106,000

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

- (1) Direct Basis: \$.....15,447
- (2) Assumed Reinsurance Basis: \$.....
- (3) Net of Ceded Reinsurance Basis: \$.....15,447

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable

35. MULTIPLE PERIL CROP INSURANCE

Not applicable

NOTES TO FINANCIAL STATEMENTS

36. FINANCIAL GUARANTY INSURANCE

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

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

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

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

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating? OHIO.....
- 1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☐ No ☒
- 1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1

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

Yes ☒ No ☐
- 2.2

If yes, date of change:

04/02/2018
- 3.1

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

12/31/2014
- 3.2

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

12/31/2014
- 3.3

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

01/20/2016
- 3.4

By what department or departments? WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE.....
- 3.5

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

Yes ☐ No ☐ N/A ☒
- 3.6

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

Yes ☒ No ☐ N/A ☐
- 4.1

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

Yes ☐ No ☒
- 4.12 renewals?

Yes ☐ No ☒
- 4.2

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

Yes ☐ No ☒
- 4.22 renewals?

Yes ☐ No ☒
- 5.1

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

Yes ☐ No ☒
- If yes, complete and file the merger history data file with the NAIC.
- 5.2

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

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

- 6.1

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

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

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

Yes ☐ No ☒
- 7.2

If yes,
- 7.21

State the percentage of foreign control

0.0 %
- 7.22

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
DELOITTE & TOUCHE LLP, 180 EAST BROAD ST, SUITE 1400, COLUMBUS, OH 43215.....

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

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

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

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
PHILIP BAUM, FCAS, MAAA, OFFICER OF THE REPORTING ENTITY, GRANGE INSURANCE, COLUMBUS, OH.....

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$.....0

12.2 If yes, provide explanation

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto
- ON DEPOSIT IN CUSTODIAL ACCOUNT.....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.103 Total payable for securities lending reported on the liability page \$.....0

GENERAL INTERROGATORIES

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

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

25.21 Subject to repurchase agreements

\$.....

25.22 Subject to reverse repurchase agreements

\$.....

25.23 Subject to dollar repurchase agreements

\$.....

25.24 Subject to reverse dollar repurchase agreements

\$.....

25.25 Placed under option agreements

\$.....

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

\$.....

25.27 FHLB Capital Stock

\$.....

25.28 On deposit with states

\$.....1,591,040

25.29 On deposit with other regulatory bodies

\$.....

25.30 Pledged as collateral – excluding collateral pledged to an FHLB

\$.....

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

\$.....

25.32 Other

\$.....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....
.....

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

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

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

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

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
JP Morgan Chase Bank, N.A.....	Northern Trust.....	..02/01/2018..	Service Enhancements.....

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Asset Allocation & Mgmt Co. LLC.....	U.....
J. Christopher Montgomery.....	I.....
James Habegger.....	I.....
Jill A. Wagner.....	I.....
Brent R. Hammer.....	I.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
109875.....	Asset Allocation & Management Company, LLC.....	.....	SEC #801-60075.....	NO.....

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	65,911,106	65,274,697	(636,409)
30.2 Preferred Stocks.....	1,235,662	1,309,006	73,344
30.3 Totals	67,146,768	66,583,703	(563,065)

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

The Company utilizes fair values provided by its custodian Northern Trust. ICE is their primary source.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

a.Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

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 5GI securities?

Yes [☐] No [☒]
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes [☐] No [☒]

OTHER

- 35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$520,226
- 35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INSURANCE SERVICE OFFICE (ISO).....	\$.....268,637

- 36.1 Amount of payments for legal expenses, if any?

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

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

- 37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$41,458
- 37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
WISCONSIN INSURANCE ALLIANCE.....	\$.....22,124
PROPERTY CASUALTY INSURERS OF AMERICA.....	\$.....16,994

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

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

Yes [] No [X]

1.2

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

\$.....0

1.3

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

\$.....

1.31

Reason for excluding

.....

1.4

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

\$.....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....0

1.62

Total incurred claims

\$.....0

1.63

Number of covered lives

.....0

All years prior to most current three years:

1.64

Total premium earned

\$.....0

1.65

Total incurred claims

\$.....0

1.66

Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$.....0

1.72

Total incurred claims

\$.....0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$.....0

1.75

Total incurred claims

\$.....0

1.76

Number of covered lives

.....0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

0

\$

0

2.2

Premium Denominator

\$

47,448,462

\$

46,572,040

2.3

Premium Ratio (2.1/2.2)

.....

0.000

.....

0.000

2.4

Reserve Numerator

\$

88

\$

88

2.5

Reserve Denominator

\$

46,472,273

\$

47,149,929

2.6

Reserve Ratio (2.4/2.5)

.....

0.000

.....

0.000

3.1

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

Yes [] No [X]

3.2

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

3.21

Participating policies.....

\$.....

3.22

Non-participating policies.....

\$.....

4.

For Mutual reporting entities and Reciprocal Exchanges only:

4.1

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

Yes [] No [X]

4.2

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

Yes [X] No []

4.3

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

%

4.4

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

\$.....

5.

For Reciprocal Exchanges Only:

5.1

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

Yes [] No []

5.2

If yes, is the commission paid:

5.21

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

Yes [] No [] N/A []

5.22

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

Yes [] No [] N/A []

5.3

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

.....

5.4

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

Yes [] No []

5.5

If yes, give full information

.....

16

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

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

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
THE COMPANY PARTICIPATES IN THE GRANGE MUTUAL CASUALTY GROUP'S CATASTROPHIC PLANNING AND REINSURANCE CONTRACTS. THE GRANGE INSURANCE COMPANY USES A DETERMINISTIC MODEL WHICH RETURNS PERIOD LOSSES ESTIMATED USING PROBABILITIES ASSOCIATED WITH A COMPREHENSIVE SET OF SCENARIOS.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
THE COMPANY PARTICIPATES IN THE GRANGE MUTUAL CASUALTY GROUP'S CATASTROPHIC PLANNING AND REINSURANCE CONTRACTS. THE GRANGE INSURANCE COMPANY USES A DETERMINISTIC MODEL WHICH RETURNS PERIOD LOSSES ESTIMATED USING PROBABILITIES ASSOCIATED WITH A COMPREHENSIVE SET OF SCENARIOS.....

6.4

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

6.5

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

7.1

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

7.2

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

7.3

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

8.1

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

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.....

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

9.5

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

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

10.

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

Yes

[X]

No

[]

N/A

[]

16.1

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

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

Yes [] No [X]

11.2

If yes, give full information

12.1

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

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

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

\$

12.3

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

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

12.4

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

12.41

From

%

12.42

To

%

12.5

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

Yes [] No [X]

12.6

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

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

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

\$2,000,000

13.2

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

Yes [] No [X]

13.3

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

1

14.1

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

Yes [X] No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
SEE NOTES TO THE FINANCIAL STATEMENTS #26, INTERCOMPANY POOLING ARRANGEMENTS, CATASTROPHE EXCESS AGREEMENTS ALLOCATED BASED ON AGREED PERCENTAGES OF PARTICIPATION

14.3

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

Yes [X] No []

14.4

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

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that is exempt from the statutory provision for unauthorized reinsurance?

Yes [☐] No [☒]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance.....

\$.....

17.12

Unfunded portion of Interrogatory 17.11.....

\$.....

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$.....

17.14

Case reserves portion of Interrogatory 17.11.....

\$.....

17.15

Incurred but not reported portion of Interrogatory 17.11.....

\$.....

17.16

Unearned premium portion of Interrogatory 17.11.....

\$.....

17.17

Contingent commission portion of Interrogatory 17.11.....

\$.....

18.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]

18.2

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

\$.....

18.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]

18.4

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

\$.....

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [☒] No [☐]

19.1

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 [☐]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Integrity Mutual Insurance Company

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2018	2 2017	3 2016	4 2015	5 2014
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	92,488,358	86,616,978	74,843,621	68,365,139	63,902,833
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	31,280,271	30,334,815	26,059,572	25,174,671	24,324,135
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	58,659,619	56,478,720	49,989,798	48,127,096	46,102,305
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(3)	0	1,085	2,404
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	182,428,249	173,430,510	150,892,991	141,667,991	134,331,678
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	18,416,648	19,044,988	14,737,943	15,777,737	16,132,563
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	13,152,653	13,931,396	10,856,419	11,003,985	10,621,130
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	16,537,013	17,394,656	13,025,812	13,556,255	13,363,808
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(3)	0	1,085	2,404
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	48,106,314	50,371,038	38,620,175	40,339,062	40,119,906
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	2,741,629	1,886,138	2,225,234	120,392	(66,619)
14. Net investment gain (loss) (Line 11)	1,791,255	2,151,909	4,315,358	1,741,432	1,517,471
15. Total other income (Line 15)	528,268	584,758	389,632	334,617	407,652
16. Dividends to policyholders (Line 17)	185,139	165,694	119,077	108,859	108,570
17. Federal and foreign income taxes incurred (Line 19)	863,882	1,059,551	1,172,231	433,775	116,652
18. Net income (Line 20)	4,012,131	3,397,560	5,638,916	1,653,806	1,633,282
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	114,293,476	109,261,269	97,799,760	94,396,061	91,573,309
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	10,581,850	10,079,322	7,760,786	7,827,596	7,849,887
20.2 Deferred and not yet due (Line 15.2)	35,982	35,787	30,764	24,456	17,022
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	56,534,344	55,523,867	47,422,922	48,775,026	46,616,047
22. Losses (Page 3, Line 1)	20,421,461	21,657,397	17,671,921	17,505,646	15,206,454
23. Loss adjustment expenses (Page 3, Line 3)	6,175,665	6,275,238	5,308,296	4,737,294	4,307,541
24. Unearned premiums (Page 3, Line 9)	19,875,146	19,217,294	15,418,296	15,831,365	15,928,469
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	57,759,132	53,737,403	50,376,838	45,621,034	44,957,262
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	3,123,345	8,104,870	3,347,203	3,077,758	4,485,243
Risk-Based Capital Analysis					
28. Total adjusted capital	57,759,132	53,737,403	50,376,838	48,343,130	45,509,874
29. Authorized control level risk-based capital	3,814,213	3,885,995	4,349,809	5,834,028	5,076,643
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	65.4	65.5	71.1	62.8	58.4
31. Stocks (Lines 2.1 & 2.2)	20.6	21.2	17.8	27.5	30.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	1.5	1.6	1.8	1.9	2.0
34. Cash, cash equivalents and short-term investments (Line 5)	12.5	11.7	9.4	7.6	9.6
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.1	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	19,535,519	19,053,459	13,571,070	20,687,700	22,395,552
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	19,535,519	19,053,459	13,571,070	20,687,700	22,395,552
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	33.8	35.5	26.9	45.3	49.8

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2018	2017	2016	2015	2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	118,600	656,215	(219,258)	(1,856,264)	1,973,308
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	4,021,730	3,360,565	4,755,804	663,772	1,914,981
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	42,872,202	29,976,165	32,002,200	32,151,116	30,828,037
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	18,151,367	15,951,404	12,554,563	13,728,520	13,437,361
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	29,000,901	29,040,053	18,541,099	18,894,934	27,123,705
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(48)	21	378	2,198
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	90,024,470	74,967,575	63,097,883	64,774,949	71,391,300
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	11,267,004	8,062,006	8,965,978	9,102,390	8,592,554
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,487,242	6,217,849	5,406,572	5,859,671	5,822,612
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	7,772,556	6,811,460	4,854,240	5,903,760	6,654,123
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	(48)	21	378	2,198
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	25,526,801	21,091,266	19,226,812	20,866,198	21,071,487
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	51.2	53.8	49.7	57.3	57.5
68. Loss expenses incurred (Line 3)	10.9	10.8	12.6	11.9	11.4
69. Other underwriting expenses incurred (Line 4)	32.1	31.3	32.0	30.6	31.2
70. Net underwriting gain (loss) (Line 8)	5.8	4.0	5.7	0.3	(0.2)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	30.6	27.8	31.4	29.8	29.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	62.1	64.6	62.3	69.1	68.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	83.3	93.7	76.7	88.4	89.2
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(2,310)	(852)	(788)	681	387
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(4.3)	(1.7)	(1.7)	1.5	0.9
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(2,090)	(1,246)	214	719	288
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(4.1)	(2.7)	0.5	1.7	0.7

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

If no, please explain

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	133	83	25	3	1	0	14	74	XXX
2. 2009	46,268	2,334	43,934	27,330	780	871	3	3,668	0	1,441	31,086	XXX
3. 2010	47,097	2,279	44,817	28,042	882	965	2	3,879	0	1,595	32,003	XXX
4. 2011	44,250	2,510	41,740	29,417	3,774	1,121	23	3,793	1	1,442	30,534	XXX
5. 2012	43,709	2,322	41,387	25,537	1,187	997	11	3,538	1	1,380	28,872	XXX
6. 2013	46,373	2,151	44,222	24,870	658	1,093	30	3,771	1	1,433	29,045	XXX
7. 2014	49,301	2,039	47,261	26,057	244	1,197	4	4,083	3	1,612	31,085	XXX
8. 2015	50,859	1,846	49,014	25,710	529	1,087	33	4,088	5	1,568	30,318	XXX
9. 2016	49,118	1,805	47,313	21,246	110	525	1	3,992	1	1,463	25,652	XXX
10. 2017	48,037	1,465	46,572	20,567	189	270	2	3,875	0	1,366	24,521	XXX
11. 2018	48,982	1,533	47,448	16,448	393	97	3	3,421	1	758	19,569	XXX
12. Totals	XXX	XXX	XXX	245,356	8,829	8,247	115	38,112	13	14,072	282,758	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1.	5,627	5,467	151	0	2	0	30	0	5	0	0	349	XXX
2.	59	21	18	3	0	0	27	0	2	0	3	82	XXX
3.	373	342	26	6	0	0	44	0	4	0	6	99	XXX
4.	605	514	47	10	0	0	48	0	3	0	8	177	XXX
5.	876	688	75	20	0	0	65	0	7	0	12	315	XXX
6.	1,070	809	144	33	0	0	117	0	13	0	20	501	XXX
7.	643	70	297	52	0	0	211	0	34	0	34	1,063	XXX
8.	1,001	34	527	82	0	0	419	0	68	0	59	1,900	XXX
9.	1,719	2	947	115	0	0	646	0	156	0	113	3,351	XXX
10.	2,788	1	1,716	150	0	0	952	0	297	0	220	5,602	XXX
11.	6,167	278	4,429	185	3	0	1,313	0	1,710	0	758	13,158	XXX
12.	20,927	8,227	8,376	655	5	0	3,872	0	2,299	0	1,233	26,597	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	312	37
2.	31,975	807	31,168	69.1	34.6	70.9	0	0	4.0	53	29
3.	33,334	1,232	32,102	70.8	54.0	71.6	0	0	4.0	51	48
4.	35,034	4,322	30,711	79.2	172.2	73.6	0	0	4.0	127	51
5.	31,095	1,908	29,187	71.1	82.2	70.5	0	0	4.0	242	73
6.	31,077	1,530	29,547	67.0	71.1	66.8	0	0	4.0	372	129
7.	32,520	373	32,147	66.0	18.3	68.0	0	0	4.0	818	245
8.	32,901	683	32,218	64.7	37.0	65.7	0	0	4.0	1,413	487
9.	29,232	229	29,003	59.5	12.7	61.3	0	0	4.0	2,549	802
10.	30,465	342	30,123	63.4	23.4	64.7	0	0	4.0	4,353	1,250
11.	33,587	860	32,727	68.6	56.1	69.0	0	0	4.0	10,132	3,025
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	20,421	6,176

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year
1. Prior	8,837	8,241	7,788	7,930	7,833	7,987	8,039	8,155	8,258	8,250	(8)	95
2. 2009	28,502	27,935	27,491	27,485	27,448	27,424	27,479	27,450	27,515	27,497	(18)	47
3. 2010	XXX	29,357	28,445	28,040	28,133	28,212	28,203	28,211	28,203	28,219	16	8
4. 2011	XXX	XXX	27,427	26,605	26,693	26,903	26,931	26,959	26,946	26,916	(30)	(43)
5. 2012	XXX	XXX	XXX	26,063	25,816	25,946	25,849	25,774	25,680	25,643	(37)	(131)
6. 2013	XXX	XXX	XXX	XXX	25,847	25,766	26,139	25,968	25,853	25,763	(89)	(205)
7. 2014	XXX	XXX	XXX	XXX	XXX	28,119	28,542	28,099	28,214	28,034	(181)	(65)
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	29,073	28,684	28,341	28,066	(275)	(617)
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,033	25,471	24,855	(616)	(1,178)
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27,023	25,952	(1,072)	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27,596	XXX	XXX
12. Totals											(2,310)	(2,090)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior	000	3,806	5,580	6,371	6,964	7,381	7,568	7,718	7,833	7,905	XXX	XXX
2. 2009	18,283	23,698	25,443	26,410	26,962	27,145	27,274	27,297	27,318	27,417	XXX	XXX
3. 2010	XXX	18,885	23,827	25,632	26,923	27,650	27,882	28,028	28,073	28,124	XXX	XXX
4. 2011	XXX	XXX	17,826	22,361	24,133	25,523	26,170	26,519	26,690	26,742	XXX	XXX
5. 2012	XXX	XXX	XXX	16,987	21,246	23,114	24,535	25,029	25,255	25,335	XXX	XXX
6. 2013	XXX	XXX	XXX	XXX	15,812	20,437	22,807	24,199	24,890	25,275	XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX	17,518	22,418	24,551	26,172	27,005	XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	16,671	21,623	24,474	26,234	XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,831	19,489	21,660	XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,646	20,646	XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,148	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018
1. Prior	3,902	1,616	692	449	206	165	161	210	209	182
2. 2009	4,681	2,100	828	328	183	112	93	74	137	42
3. 2010	XXX	4,855	1,912	838	354	228	152	113	80	64
4. 2011	XXX	XXX	4,388	1,741	855	464	281	180	125	84
5. 2012	XXX	XXX	XXX	4,333	2,036	1,060	549	326	189	120
6. 2013	XXX	XXX	XXX	XXX	4,332	2,262	1,299	758	368	228
7. 2014	XXX	XXX	XXX	XXX	XXX	4,952	2,963	1,605	981	456
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	5,786	3,177	1,763	865
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,463	2,884	1,477
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,343	2,519
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,557

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories									
States, etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL N	.0	.0	.0	.0	.0	.0	.0	
2. Alaska	AK N	.0	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ N	.0	.0	.0	.0	.0	.0	.0	
4. Arkansas	AR N	.0	.0	.0	.0	.0	.0	.0	
5. California	CA N	.0	.0	.0	.0	.0	.0	.0	
6. Colorado	CO N	.0	.0	.0	.0	.0	.0	.0	
7. Connecticut	CT N	.0	.0	.0	.0	.0	.0	.0	
8. Delaware	DE N	.0	.0	.0	.0	.0	.0	.0	
9. Dist. Columbia	DC N	.0	.0	.0	.0	.0	.0	.0	
10. Florida	FL N	.0	.0	.0	.0	.0	.0	.0	
11. Georgia	GA N	.0	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI N	.0	.0	.0	.0	.0	.0	.0	
13. Idaho	ID N	.0	.0	.0	.0	.0	.0	.0	
14. Illinois	IL L	.0	.0	.0	.0	.0	.0	.0	
15. Indiana	IN N	.0	.0	.0	.0	.0	.0	.0	
16. Iowa	IA L	29,597,917	28,723,333	587,405	16,527,730	22,394,200	22,690,620	82,405	
17. Kansas	KS N	.0	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY N	.0	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA N	.0	.0	.0	.0	.0	.0	.0	
20. Maine	ME N	.0	.0	.0	.0	.0	.0	.0	
21. Maryland	MD N	.0	.0	.0	.0	.0	.0	.0	
22. Massachusetts	MA N	.0	.0	.0	.0	.0	.0	.0	
23. Michigan	MI N	.0	.0	.0	.0	.0	.0	.0	
24. Minnesota	MN L	38,862,701	37,228,256	.0	18,794,446	18,812,528	32,721,631	162,136	
25. Mississippi	MS N	.0	.0	.0	.0	.0	.0	.0	
26. Missouri	MO L	.0	.0	.0	.0	.0	.0	.0	
27. Montana	MT N	.0	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE N	.0	.0	.0	.0	.0	.0	.0	
29. Nevada	NV N	.0	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH N	.0	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ N	.0	.0	.0	.0	.0	.0	.0	
32. New Mexico	NM N	.0	.0	.0	.0	.0	.0	.0	
33. New York	NY N	.0	.0	.0	.0	.0	.0	.0	
34. No. Carolina	NC N	.0	.0	.0	.0	.0	.0	.0	
35. No. Dakota	ND N	.0	.0	.0	.0	.0	.0	.0	
36. Ohio	OH L	.0	.0	.0	.0	.0	.0	.0	
37. Oklahoma	OK N	.0	.0	.0	.0	.0	.0	.0	
38. Oregon	OR N	.0	.0	.0	.0	.0	.0	.0	
39. Pennsylvania	PA N	.0	.0	.0	.0	.0	.0	.0	
40. Rhode Island	RI N	.0	.0	.0	.0	.0	.0	.0	
41. So. Carolina	SC N	.0	.0	.0	.0	.0	.0	.0	
42. So. Dakota	SD N	.0	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN N	.0	.0	.0	.0	.0	.0	.0	
44. Texas	TX N	.0	.0	.0	.0	.0	.0	.0	
45. Utah	UT N	.0	.0	.0	.0	.0	.0	.0	
46. Vermont	VT N	.0	.0	.0	.0	.0	.0	.0	
47. Virginia	VA N	.0	.0	.0	.0	.0	.0	.0	
48. Washington	WA N	.0	.0	.0	.0	.0	.0	.0	
49. West Virginia	WV N	.0	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI L	65,426,667	63,441,737	3,791,289	29,006,680	33,640,368	70,252,094	237,430	
51. Wyoming	WY N	.0	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS N	.0	.0	.0	.0	.0	.0	.0	
53. Guam	GU N	.0	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR N	.0	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI N	.0	.0	.0	.0	.0	.0	.0	
56. Northern Mariana Islands	MP N	.0	.0	.0	.0	.0	.0	.0	
57. Canada	CAN N	.0	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Totals	XXX	133,887,284	129,393,325	4,378,694	64,328,856	74,847,096	125,664,345	481,971	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts

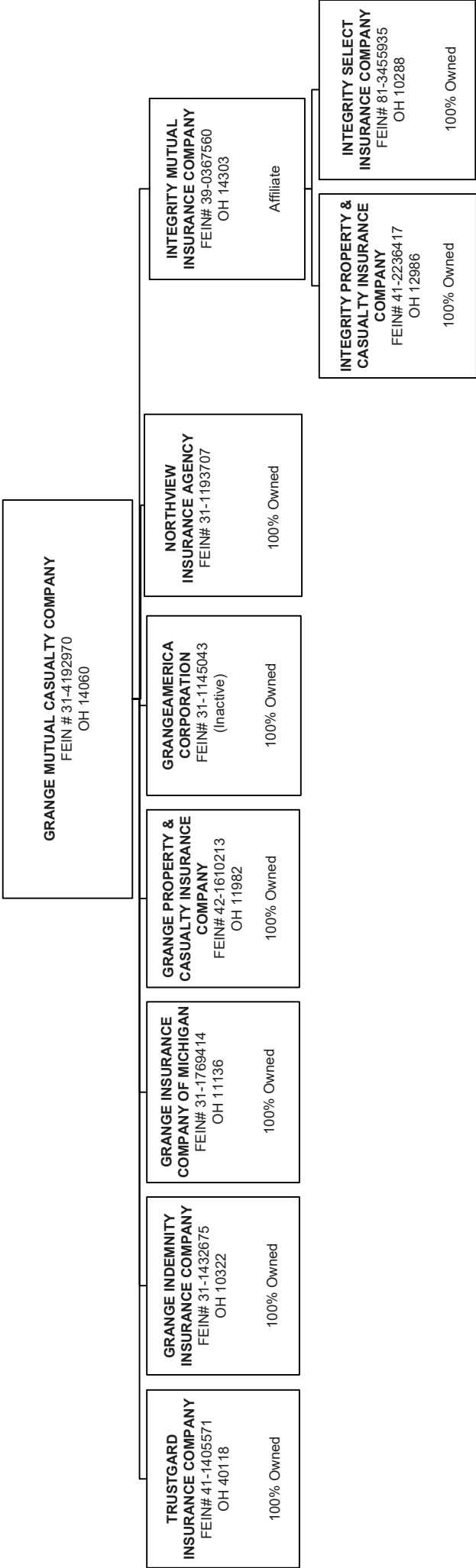
L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 6 R – Registered – Non-domiciled RRGs 0
E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) 0 Q – Qualified – Qualified or accredited reinsurer 0
D – Domestic Surplus Lines Insurer (DSLII) – 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 51

(b) Explanation of basis of allocation of premiums by states, etc.

Actual

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

PART 1 – ORGANIZATIONAL CHART



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