
AMENDED FILING EXPLANATION

Note 25 has been changed.



ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

BUCKEYE STATE MUTUAL INSURANCE COMPANY

NAIC Group Code.....	46, 46	NAIC Company Code.....	16713	Employer's ID Number.....	31-6035649
(Current Period) (Prior Period)					
Organized under the Laws of OH		State of Domicile or Port of Entry OH		Country of Domicile US	
Incorporated/Organized..... January 28, 1897		Commenced Business..... April 30, 1879			
Statutory Home Office		One Heritage Place .. Piqua .. OH .. US .. 45356-4888 (Street and Number) (City or Town, State, Country and Zip Code)		937-778-5000 (Area Code) (Telephone Number)	
Main Administrative Office		One Heritage Place .. Piqua .. OH .. US .. 45356 (Street and Number) (City or Town, State, Country and Zip Code)			
Mail Address		One Heritage Place .. Piqua .. OH .. US .. 45356 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records		One Heritage Place .. Piqua .. OH .. US .. 45356 (Street and Number) (City or Town, State, Country and Zip Code)		937-778-5000 (Area Code) (Telephone Number)	
Internet Web Site Address		http://www.buckeye-ins.com/		937-778-5000	
Statutory Statement Contact		Craig A Curcio (Name) craig.curcio@buckeye-ins.com (E-Mail Address)		937-778-5000 (Area Code) (Telephone Number) (Extension)	
				937-778-5019 (Fax Number)	

OFFICERS

Name	Title	Name	Title
1. John Michael Brooks	President & CEO	2. Lisa Lyn Wesner	VP & Secretary
3. Craig Allen Curcio #	VP, Treasurer, & CFO	4. Robert Edward Bornhorst #	Senior VP & Chief Underwriting Officer
Jon Allen DeHass	VP - Claims		

OTHER

DIRECTORS OR TRUSTEES

Donald E. Benschneider	Robert W. Clark	Joel J. Guth	John S. Haldeman II
James D. Rogers	Richard J. Seitz	J. MacAlpine Smith	William L. Sweet Jr.

State of..... Ohio
County of.... Miami

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.

(Signature) John Michael Brooks 1. (Printed Name) President & CEO (Title)	(Signature) Lisa Lyn Wesner 2. (Printed Name) VP & Secretary (Title)	(Signature) Craig Allen Curcio 3. (Printed Name) VP, Treasurer, & CFO (Title)
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Subscribed and sworn to before me
This _____ day of _____ 2019

a. Is this an original filing?
b. If no
1. State the amendment number
2. Date filed
3. Number of pages attached

Yes [X] No []

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The accompanying financial statements of Buckeye State Mutual Insurance Company (The Company) have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Ohio Insurance Department

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (487,779)	\$ (219,344)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (487,779)	\$ (219,344)
SURPLUS					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 18,122,356	\$ 19,000,776
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 18,122,356	\$ 19,000,776

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

- (1) Basis for Short-Term Investments
Short-term investments are stated at amortized cost.
- (2) Basis for Bonds and Amortization Schedule
Bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
- (3) Basis for Common Stocks
Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at market.
- (4) Basis for Preferred Stocks
Redeemable preferred stocks are stated at amortized value. Perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
- (5) Basis for Mortgage Loans
The Company does not have any mortgage loans.
- (6) Basis for Loan-Backed Securities and Adjustment Methodology
Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
Insurance subsidiary (Home and Farm Insurance Company) is stated at statutory equity value. Non-insurance subsidiary (Hetuck Insurance Agency, Inc.) is stated at statutory equity value.
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
The Company does not have any joint ventures or partnerships.
- (9) Accounting Policies for Derivatives
The Company does not carry any derivatives.
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation
The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for A&H Contracts
Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports, and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

NOTES TO FINANCIAL STATEMENTS

(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period
 The Company has not modified its capitalization policy from the prior period.

(13) Method Used to Estimate Pharmaceutical Rebate Receivables
 Not applicable

D. Going Concern
 Not applicable

Note 2 – Accounting Changes and Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method
 Not applicable

B. Statutory Merger
 Not applicable

C. Impairment Loss
 Not applicable

Note 4 – Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale
 Not applicable

B. Change in Plan of Sale of Discontinued Operation
 Not applicable

C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal
 Not applicable

D. Equity Interest Retained in the Discontinued Operation After Disposal
 Not applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans
 Not applicable

B. Debt Restructuring
 Not applicable

C. Reverse Mortgages
 Not applicable

D. Loan-Backed Securities

(1) Description of Sources Used to Determine Prepayment Assumptions

(2) Other-Than-Temporary Impairments

	1 Amortized Cost Basis Before Other-than-Temporary Impairment	2 Other-than-Temporary Impairment Recognized in Loss	3 Fair Value 1 – 2
OTTI Recognized 1st Quarter			
a. Intent to sell	\$	\$	\$
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 1 st Quarter	\$	\$	\$
OTTI Recognized 2nd Quarter			
d. Intent to sell	\$	\$	\$
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
f. Total 2 nd Quarter	\$	\$	\$
OTTI Recognized 3rd Quarter			
g. Intent to sell	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

	1 Amortized Cost Basis Before Other-than-Temporary Impairment	2 Other-than-Temporary Impairment Recognized in Loss	3 Fair Value 1 – 2
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
i. Total 3rd Quarter	\$	\$	\$
OTTI Recognized 4th Quarter			
j. Intent to sell	\$	\$	\$
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
l. Total 4th Quarter	\$	\$	\$
m. Annual aggregate total	XXX		XXX

(3) Recognized OTTI securities

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than- Temporary Impairment	Amortized Cost After Other-Than- Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
Total	\$	\$	\$	\$	\$	

(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	\$ (6,430)
b. The aggregate related fair value of securities with unrealized losses:	2. 12 Months or Longer	\$ (203,306)
	1. Less than 12 Months	\$ 1,036,570
	2. 12 Months or Longer	\$ 7,121,745

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not applicableF. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not applicableG. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions
Not applicableH. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions
Not applicableI. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions
Not applicable

J. Real Estate

(1) Recognized Impairment Loss
Not applicable

(2) Sold or Classified Real Estate Investments as Held for Sale

The Company listed its home office building for sale in the first quarter of 2018. Our primary intention is to sell the building and lease back a portion of the available space.

(3) Changes to a Plan of Sale for an Investment in Real Estate

The Company listed its home office building for sale in the first quarter of 2018. Our primary intention is to sell the building and lease back a portion of the available space.

(4) Retail Land Sales Operations
Not applicable

NOTES TO FINANCIAL STATEMENTS

(5) Real Estate Investments with Participating Mortgage Loan Features
Not applicable

K. Low-Income Housing Tax Credits (LIHTC)
Not applicable

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Current Year					
	Current Year		Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Percentage	
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)								10 Gross (Admitted & Nonadmitted)	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 arrangements										%	%
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	107,700				107,700	107,700			107,700	0.2%	0.2%
j. On deposit with states	2,439,090				2,439,090	2,760,923	(321,833)		2,439,090	4.6%	4.8%
k. On deposit with other regulatory bodies										%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	1,219,522				1,219,522	1,386,463	(166,941)		1,219,522	2.3%	2.4%
m. Pledged as collateral not captured in other categories										%	%
n. Other restricted assets										%	%
o. Total Restricted Assets	\$ 3,766,312	\$	\$	\$	\$ 3,766,312	\$ 4,255,086	\$ (488,774)	\$	\$ 3,766,312	7.1%	7.4%

(a) Subset of column 1
(b) Subset of column 3
(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted					Current Year					8 Total Current Year Admitted Restricted	Percentage	
	Current Year		3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)	6 Total From Prior Year	7 Increase/(Decrease) (5 minus 6)	9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets				
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)											
Total (c)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted					Current Year					8 Total Current Year Admitted Restricted	Percentage	
	Current Year		3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)	6 Total From Prior Year	7 Increase/(Decrease) (5 minus 6)	9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets				
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)											
Total (c)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively.

NOTES TO FINANCIAL STATEMENTS**(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements**

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets**
a. Cash, Cash Equivalents and Short-Term Investments	\$	\$	%	%
b. Schedule D, Part 1			%	%
c. Schedule D, Part 2, Sec. 1			%	%
d. Schedule D, Part 2, Sec. 2			%	%
e. Schedule B			%	%
f. Schedule A			%	%
g. Schedule BA, Part 1			%	%
h. Schedule DL, Part 1			%	%
i. Other			%	%
j. Total Collateral Assets (a+b+c+d+e+f+g+i)	\$	\$	%	%

*. Column 1 divided by Asset Page, Line 26 (Column 1)

** Column 1 divided by Asset Page, Line 26 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities
k. Recognized Obligation to Return Collateral Asset	\$	%

* Column 1 divided by Liability Page, Line 26 (Column 1)

M. Working Capital Finance Investments
Not applicable

N. Offsetting and Netting of Assets and Liabilities
Not applicable

O. Structured Notes
Not applicable

P. 5GI Securities
Not applicable

Q. Short Sales
Not applicable

R. Prepayment Penalty and Acceleration Fees
Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership
Not applicable

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies
Not applicable

Note 7 – Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:
Not applicable

B. The total amount excluded:
Not applicable

Note 8 – Derivative Instruments

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes**

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 5,117,794	\$ 51,285	\$ 5,169,079	\$ 5,035,692	\$ 51,285	\$ 5,086,977	\$ 82,102	\$	\$ 82,102
b. Statutory valuation allowance adjustment	3,197,419		3,197,419	2,999,121		2,999,121	198,298		198,298
c. Adjusted gross deferred tax assets (1a-1b)	\$ 1,920,375	\$ 51,285	\$ 1,971,660	\$ 2,036,571	\$ 51,285	\$ 2,087,856	\$ (116,196)	\$	\$ (116,196)
d. Deferred tax assets nonadmitted	1,538,175	73	1,538,248	1,582,939		1,582,939	(44,764)	73	(44,691)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 382,200	\$ 51,212	\$ 433,412	\$ 453,632	\$ 51,285	\$ 504,917	\$ (71,432)	\$ (73)	(71,505)
f. Deferred tax liabilities	164,409		215,621	105,684	212,168	317,852	58,725	(160,956)	(102,231)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 217,791		\$ 217,791	\$ 347,948	\$ (160,883)	\$ 187,065	\$ (130,157)	\$ 160,883	\$ 30,726

2. Admission Calculation Components SSAP No. 101

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$	\$	\$	\$	\$	\$
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	217,791		217,791	187,065		187,065	30,726		30,726
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	217,791		217,791	187,065		187,065	30,726		30,726
2. Adjusted gross deferred tax assets allowed per limitation threshold									
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	164,409	51,212	215,621	266,567	51,285	317,852	(102,158)	(73)	(102,231)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 382,200	\$ 51,212	\$ 433,412	\$ 453,632	\$ 51,285	\$ 504,917	\$ (71,432)	\$ (73)	\$ (71,505)

3. Other Admissibility Criteria

		2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount		577.0%	465.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$	17,873,404	\$ 18,744,175

NOTES TO FINANCIAL STATEMENTS

4. 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.

	2018		2017		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 1,920,375	\$ 51,285	\$ 2,036,571	\$ 51,285	\$ (116,196)	\$
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)	\$ 382,200	\$ 51,212	\$ 453,632	\$ 51,285	\$ (71,432)	\$ (73)
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? NO

B. Deferred Tax Liabilities Not Recognized

- The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are:
Not applicable
- The cumulative amount of each type of temporary difference is:
Not applicable
- The amount of the unrecognized DTL for temporary differences related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration, if determination of that liability is practicable, or a statement that determination is not practicable are:
Not applicable
- The amount of the DTL for temporary differences other than those in item (3) above that is not recognized is:
Not applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2018	2 2017	3 (Col 1-2) Change
a. Federal	\$	\$	\$
b. Foreign	\$	\$	\$
c. Subtotal	\$	\$	\$
d. Federal income tax on net capital gains	\$	\$	\$
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$	\$
g. Federal and Foreign income taxes incurred	\$	\$	\$

2. Deferred Tax Assets

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 108,756	\$ 59,058	\$ 49,698
2. Unearned premium reserve	650,136	728,525	(78,389)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	305,383	314,273	(8,890)
8. Compensation and benefits accrual	271,049	322,296	(51,247)
9. Pension accrual	293,462	329,767	(36,305)
10. Receivables - nonadmitted			
11. Net operating loss carry-forward	3,358,435	3,148,417	210,018
12. Tax credit carry-forward	90,074	90,074	
13. Other (items <=5% and >5% of total ordinary tax assets)	40,499	43,282	(2,783)
Other (items listed individually >5% of total ordinary tax assets)			

NOTES TO FINANCIAL STATEMENTS

99. Subtotal	5,117,794	5,035,692	82,102
b. Statutory valuation allowance adjustment	3,197,419	2,999,121	198,298
c. Nonadmitted	1,538,175	1,582,939	(44,764)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	382,200	453,632	(71,432)
e. Capital:			
1. Investments	\$	\$	\$
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)	51,285	51,285	
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 51,285	\$ 51,285	\$
f. Statutory valuation allowance adjustment			
g. Nonadmitted	73		73
h. Admitted capital deferred tax assets (2e99-2f-2g)	51,212	51,285	(73)
i. Admitted deferred tax assets (2d+2h)	\$ 433,412	\$ 504,917	\$ (71,505)
3. Deferred Tax Liabilities			
	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	164,409	105,684	58,725
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	164,409	105,684	58,725
b. Capital:			
1. Investments	51,212	212,168	(160,956)
2. Real estate			
3. Other (items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	51,212	212,168	(160,956)
c. Deferred tax liabilities (3a99+3b99)	\$ 215,621	\$ 317,852	\$ (102,231)
4. Net Deferred Tax Assets (2i – 3c)	\$ 217,791	\$ 187,065	\$ 30,726

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ (88,895)	21.0%
Proration of tax exempt investment income	(1,163)	0.3%
Tax exempt income deduction	2,525	(0.6)%
Dividends received deduction	(8,936)	2.1%
Disallowable travel and entertainment	4,326	(1.0)%
Other permanent differences		%
Temporary Differences:		
Total ordinary DTAs	51,060	(12.1)%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment	(2,999,121)	708.5%
Accrual adjustment – prior year		%
Other		%
Totals	(3,040,204)	718.2%
Federal and foreign income taxes incurred		%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	(2,805,386)	%
Total statutory income taxes	\$ (2,805,386)	%

NOTES TO FINANCIAL STATEMENTS**E. Operating Loss Carryfowards and Income Taxes Available for Recoupment**

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

Description (Operating Loss or Tax Credit Carry Forward)	Amounts	Origination Dates	Expiration Dates
Operating Loss	\$69,199	December 31, 2011	December 31, 2030
Operating Loss	\$2,354,402	December 31, 2012	December 31, 2031
Operating Loss	\$9,578,326	December 31, 2013	December 30, 2032
Operating Loss	\$66,622	December 31, 2014	December 30, 2033
Operating Loss	\$190,717	December 31, 2015	December 30, 2034
Operating Loss	\$1,750,664	December 30, 2016	December 30, 2035
Operating Loss	\$815,440	December 30, 2017	December 29, 2036

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
	\$

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is .

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:
The Company does not file a consolidated tax return.

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:
The Company does not file a consolidated tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

1a Has the entity fully remitted the RTT? No
1b If yes, list the amount of the RTT paid.

If no, list the future installments to satisfy the RTT:

1	Installment 1	5,712
2	Installment 2	5,712
3	Installment 3	5,712
4	Installment 4	5,712
5	Installment 5	5,712
6	Installment 6	5,712
7	Installment 7	5,712
8	Installment 8	5,712
9	Total	45,697

I. Alternative Minimum Tax (AMT Credit)

Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)? DTA

Gross AMT Credit Recognized as:

1a	Current year recoverable	
1b	Deferred tax asset (DTA)	
2	Beginning Balance of AMT Credit Carryforward	90,074
3	Amounts Recovered	
4	Adjustments	
5	Ending Balance of AMT Credit Carryforward (5=2-3-4)	90,074
6	Reduction for Sequestration	
7	Nonadmitted by Reporting Entity	
8	Reporting Entity Ending Balance (8=5-6-7)	90,074

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**A. Nature of the Relationship Involved**

All outstanding shares of the Hetuck Insurance Agency are owned by Buckeye State Mutual Insurance Company domiciled in the state of Ohio. The Company also owns 100% of Home and Farm Insurance Company (35-1630739, NAIC 17639). During 2017, the Company sold all of the outstanding shares of Marias Technology, Inc.

B. Transactions

Marias Technology, Inc. was sold effective June 30, 2017 for a purchase price of \$2,100,000 (cash).

C. Dollar Amounts of Transactions

There were no changes in the intercompany management and service arrangements.

D. Amounts Due From or To Related Parties

At December 31, 2018, the Company reported \$1,111 due to Hetuck Insurance Agency and \$107,571 due from Home and Farm Insurance Company. Intercompany balances are settled within 90 days.

E. Guarantees or Undertakings

Not applicable

F. Material Management or Service Contracts and Cost-Sharing Arrangements

The Company has agreed to provide certain management and data processing services to its wholly-owned subsidiaries. The Parent has agreed to provide certain management services to all members of the group.

NOTES TO FINANCIAL STATEMENTS

G. Nature of the Control Relationship
All outstanding shares of the Hetuck Insurance Agency are owned by Buckeye State Mutual Insurance Company domiciled in the state of Ohio. The Company also owns 100% of Home and Farm Insurance Company (35-1630739, NAIC 17639).

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned
Not applicable

I. Investments in SCA that Exceed 10% of Admitted Assets
The Company owns 100% of Home and Farm Insurance Company. This common stock is recorded at its statutory equity value of \$6,841,526.

J. Investments in Impaired SCAs
Not applicable

K. Investment in Foreign Insurance Subsidiary
Not applicable

L. Investment in Downstream Noninsurance Holding Company
Not applicable

M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities	%	\$	\$	\$
Total SSAP No. 97 8a Entities	XXX	\$	\$	\$
b. SSAP No. 97 8b(ii) Entities				
Hetuck Insurance Agency, Inc	100.0%	\$ 46,986	\$	\$ 46,986
Total SSAP No. 97 8b(ii) Entities	XXX	\$ 46,986	\$	\$ 46,986
c. SSAP No. 97 8b(iii) Entities	%	\$	\$	\$
Total SSAP No. 97 8b(iii) Entities	XXX	\$	\$	\$
d. SSAP No. 97 8b(iv) Entities	%	\$	\$	\$
Total SSAP No. 97 8b(iv) Entities	XXX	\$	\$	\$
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b + c + d)	XXX	\$ 46,986	\$	\$ 46,986
f. Aggregate Total (a + e)	XXX	\$ 46,986	\$	\$ 46,986

(2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities			\$			
Total SSAP No. 97 8a Entities	XXX	XXX	\$	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities			\$			
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities			\$			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities			\$			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b + c + d)	XXX	XXX	\$	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	\$	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

N. Investment in Insurance SCAs
Not applicable

O. SCA Loss Tracking

SCA Entity	Reporting Entity's Share of SCA Net Income (Loss)	Accumulated Share of SCA Net Income (Losses)	Reporting Entity's Share of SCA's Equity, Including Negative Equity	Guaranteed Obligation / Commitment for Financial Support (Yes/No)	SCA Reported Value
	\$	\$	\$		\$

NOTES TO FINANCIAL STATEMENTS**Note 11 – Debt**

A. Debt, Including Capital Notes
Not applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the FHLB Agreement

The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds for short term liquidity. The Company has determined the actual/estimated maximum borrowing capacity as \$1,129,530. The Company calculated this amount in accordance with current FHLB capital stock.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	\$ 65,958	\$ 65,958	\$
(b) Membership Stock – Class B			
(c) Activity Stock	40,000	40,000	
(d) Excess Stock	1,742	1,742	
(e) Aggregate Total (a+b+c+d)	\$ 107,700	\$ 107,700	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$	XXX	XXX

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	\$ 65,958	\$ 65,958	\$
(b) Membership Stock – Class B			
(c) Activity Stock	40,000	40,000	
(d) Excess Stock	1,742	1,742	
(e) Aggregate Total (a+b+c+d)	\$ 107,700	\$ 107,700	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$	XXX	XXX

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	\$ 65,958	\$ 65,958	\$	\$	\$	\$
2. Class B	\$	\$	\$	\$	\$	\$

11B(2)b1 current year total (column 1) should equal 11B(2)a1(a) total (column 1).

11B(2)b2 current year total (column 1) should equal 11B(2)a1(b) total (column 1).

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	\$ 1,170,008	\$ 1,219,522	\$
2. Current Year General Account Total Collateral Pledged	1,170,008	1,219,522	
3. Current Year Protected Cell Accounts Total Collateral Pledged			
4. Prior Year Total General and Protected Cell Accounts Total Collateral Pledged	\$ 1,363,694	\$ 1,386,463	\$

11B(3)a1 (columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (columns 1, 2 and 3, respectively).

11B(3)a2 (columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (columns 1, 2 and 3, respectively).

11B(3)a3 (columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (columns 1, 2 and 3, respectively).

11B(3)a4 (columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (columns 1, 2 and 3, respectively).

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Protected Cell Accounts Maximum Collateral Pledged (Lines 2+3)	\$ 1,363,694	\$ 1,386,463	\$
2. Current Year General Account	1,363,694	1,386,463	

NOTES TO FINANCIAL STATEMENTS

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
Maximum Collateral Pledged			
3. Current Year Protected Cell Accounts Maximum Collateral Pledged			
4. Prior Year Total General and Protected Cell Accounts Maximum Collateral Pledged	\$ 1,363,694	\$ 1,386,463	\$

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	\$	\$	\$	XXX
(b) Funding Agreements				\$
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$	\$	\$	\$

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	\$	\$	\$	XXX
(b) Funding Agreements				\$
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$	\$	\$	\$

b. Maximum Amount During Reporting Period (Current Year)

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
1. Debt	\$ 1,000,000	\$ 1,000,000	\$
2. Funding Agreements			
3. Other			
4. Aggregate Total (Lines 1+2+3)	\$ 1,000,000	\$ 1,000,000	\$

11B(4)b4 (columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (columns 1, 2 and 3, respectively).

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

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

A. Defined Benefit Plan

(1) Change in Benefit Obligation

The Company maintains an unfunded pension plan covering a previously retired employee. Accrued benefits for this plan of \$62,469 are based upon the actuarially determined life of the participant. The Company implemented an Executive Retirement Plan during 2000. The purpose of the plan is to provide supplemental retirement benefits to corporate officers. The annual deferred compensation amounts are a fixed percentage of each officer's annual salary. All amounts payable under the plan will remain the property of Buckeye until paid to the participant or designated beneficiary. Total amounts paid into the plan were \$0 and \$0 for 2018 and 2017, respectively.

	Overfunded		Underfunded	
	2018	2017	2018	2017
a. Pension Benefits				
1. Benefit obligation at beginning of year	\$	\$	\$ 4,996,559	\$ 4,769,235
2. Service cost				
3. Interest cost			175,217	192,228
4. Contribution by plan participants				
5. Actuarial gain (loss)			(392,998)	309,273
6. Foreign currency exchange rate changes				
7. Benefits paid			260,005	274,177
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$ 4,518,773	\$ 4,996,559
	Overfunded		Underfunded	
b. Postretirement Benefits	2018	2017	2018	2017
1. Benefit obligation at beginning of year	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

	Overfunded		Underfunded	
	2018	2017	2018	2017
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	\$	\$	\$	\$
Overfunded		Underfunded		
c. Special or Contractual Benefits per SSAP No. 11	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	\$	\$	\$	\$

(2) Change in Plan Assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Fair value of plan assets at beginning of year	\$ 3,426,241	\$ 3,023,930	\$	\$	\$	\$
b. Actual return on plan assets	(188,750)	477,868				
c. Foreign currency exchange rate changes						
d. Reporting entity contribution	143,850	198,620				
e. Plan participants' contributions						
f. Benefits paid	260,005	274,177				
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	\$ 3,121,336	\$ 3,426,241	\$	\$	\$	\$

(3) Funded Status

	Pension Benefits		Postretirement Benefits			
	2018	2017	2018	2017	2018	2017
a. Components						
1. Prepaid benefit costs	\$	\$	\$	\$	\$	\$
2. Overfunded plans assets	\$	\$	\$	\$	\$	\$
3. Accrued benefit costs	\$ 4,518,773	\$ 4,996,559	\$	\$	\$	\$
4. Liability for pension benefits	\$ (3,121,336)	\$ (3,426,241)	\$	\$	\$	\$
b. Assets and liabilities recognized						
1. Assets (nonadmitted)	\$	\$	\$	\$	\$	\$
2. Liabilities recognized	\$ 1,397,437	\$ 1,570,318	\$	\$	\$	\$
c. Unrecognized liabilities	\$	\$	\$	\$	\$	\$

(4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Service cost	\$	\$	\$	\$	\$	\$
b. Interest cost	175,217	192,228				
c. Expected return on plan assets	(169,436)	(150,913)				

NOTES TO FINANCIAL STATEMENTS

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
d. Transition asset or obligation						
e. Gains and losses	57,973	60,396				
f. Prior service cost or credit		51,150				
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	\$ 63,754	\$ 152,861			\$	\$

(5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Items not yet recognized as a component of net periodic cost – prior year	\$ 2,034,199	\$ 2,163,427	\$	\$
b. Net transition asset or obligation recognized				
c. Net prior service cost or credit arising during the period				
d. Net prior service cost or credit recognized		(51,150)		
e. Net gain and loss arising during the period	(57,973)	(60,396)		
f. Net gain and loss recognized	(34,812)	(17,682)		
g. Items not yet recognized as a component of net periodic cost – current period	\$ 1,941,414	\$ 2,034,199	\$	\$

(6) Amounts in Unassigned Funds (Surplus) Expected to be Recognized in the Next Fiscal Year as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Net transition asset or obligations	\$	\$	\$	\$
b. Net prior service cost or credit	\$	\$	\$	\$
c. Net recognized gains and losses	\$ 58,322	\$ 57,973	\$	\$

(7) Amounts in Unassigned Funds (Surplus) that have not yet been Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Net transition asset or obligations	\$	\$	\$	\$
b. Net prior service cost or credit	\$	\$	\$	\$
c. Net recognized gains and losses	\$ 57,973	\$ 60,396	\$	\$

(8) Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost as of December 31

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Net transition asset or obligations	\$	\$	\$	\$
b. Net prior service cost or credit	\$	\$	51,150	\$
c. Net recognized gains and losses	\$ 57,973	\$ 60,396	\$	\$
Weighted-average assumptions used to determine projected benefit obligations as of December 31				
d. Weighted-average discount rate			%	%
e. Rate of compensation increase			%	%

(9) Accumulated Benefit Obligation for Defined Benefit Pension Plans

The amount of the accumulated benefit obligation for defined benefit pension plans was \$4,518,773 for the current year and \$4,996,559 for the prior year.

(10) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)
Not applicable

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:
Not applicable

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$	\$
b. Effect on postretirement benefit obligation	\$	\$

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

Year(s)	Amount
a. 2019	\$ 258,714
b. 2020	\$ 263,443
c. 2021	\$ 267,921
d. 2022	\$ 272,084
e. 2023	\$ 275,862
f. 2024 through 2028	\$ 1,453,225

(13) Estimate of Contributions Expected to be Paid to the Plan

The Company currently intends to make contributions to the defined benefit pension plan of \$145,602 in 2019.

(14) Amounts and Types of Securities Included in Plan Assets

See 12C1 below. The plan assets are invested in a combination of fixed income and stock mutual funds.

(15) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses

Not applicable

(16) Substantive Comment Used to Account for Benefit Obligation

(17) Cost of Providing Special or Contractual Termination Benefits Recognized

(18) Significant Change in the Benefit Obligation or Plan Assets

(19) Amount and Time Plan Assets Expected to be Returned

(20) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans

(21) Full Transition Surplus Impact of SSAP 102

B. Investment Policies and Strategies

In recognition of the difficulty in predicting the direction of the market or future state of the economy, the Plan's assets will be prudently diversified. In addition to asset classes, the Plan will be diversified among managers/funds and investment styles. The purpose of this approach is to incorporate prudent diversification within the Plan, enhancing expected returns and/or reducing the risk of the total portfolio.

The Plan may include liability-matching assets. The primary purpose of these assets is to gain duration exposure similar to that of the Plan liabilities and better match the credit exposure and asset quality with the discount rate used to value the Plan liabilities. As funded status changes, Plan asset allocation may change to better match duration and interest rate risk of Plan liabilities.

C. Fair Value of Plan Assets

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

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Mutual Fund - Fixed Income	\$ 407,794	\$	\$	\$ 407,794
Mutual Fund - Fixed Income	\$ 845,318	\$	\$	\$ 845,318
Mutual Fund - Fixed Income	\$ 413,344	\$	\$	\$ 413,344
Mutual Fund - 500 Index	\$ 719,855	\$	\$	\$ 719,855
Mutual Fund - Intl Stock Index	\$ 735,025	\$	\$	\$ 735,025
Total Plan Assets	\$ 3,121,336	\$	\$	\$ 3,121,336

(2) Valuation Technique(s) and Inputs Used to Measure Fair Value

NOTES TO FINANCIAL STATEMENTS**D. Basis Used to Determine Expected Long-Term Rate-of-Return**

Equity return expectations are based on current dividend yields, assuming long-term earnings growth and inflation. Fixed income return expectations are based on current yields.

E. Defined Contribution Plans

The Company sponsors a retirement plan pursuant to section 401(k) of the Internal Revenue Code for all active employees. The Company makes a supplemental contribution of \$25 per month for each employee contributing at least 1% of gross pay to the plan. The Company also matches 50% of the first 8% of gross pay. The Company's contributions to the plan were \$103,910 and \$111,390 for 2018 and 2017, respectively. At December 31, 2018, the fair value of plan assets were \$6,320,000.

F. Multiemployer Plans

Not applicable

G. Consolidated/Holding Company Plans

Not applicable

H. Postemployment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)**(1) Recognition of the Existence of the Act**

Not applicable

(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost

Not applicable

(3) Disclosure of Gross Benefit Payments

Not applicable

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations**(1) Number of Share and Par or State Value of Each Class**

Not applicable

(2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

Not applicable

(3) Dividend Restrictions

Prior approval from the Ohio Insurance Department is required before dividends are paid.

(4) Dates and Amounts of Dividends Paid

Not applicable

(5) Profits that may be Paid as Ordinary Dividends to Stockholders

Not applicable

(6) Restrictions Plans on Unassigned Funds (Surplus)

Not applicable

(7) Amount of Advances to Surplus not Repaid

Not applicable

(8) Amount of Stock Held for Special Purposes

Not applicable

(9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period

Not applicable

(10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$1,656,941.**(11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations**

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note*	Principal and/or Interest Paid Current Period	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity
09/30/1994	6.9%	\$ 700,000	\$ 700,000	\$ 48,127	\$ 1,198,711	\$	
03/31/1995	8.5%	\$ 500,000	\$ 500,000	\$ 42,500	\$ 966,875	\$	
09/15/2005	6.3%	\$ 5,000,000	\$ 5,000,000	\$ 316,047	\$ 4,532,409	\$	09/15/2035
Total	XXX	\$ 6,200,000	\$ 6,200,000	\$ 406,674	\$ 6,697,995	\$	XXX

(12) The impact of any restatement due to prior quasi-reorganizations is as follows

Not applicable

NOTES TO FINANCIAL STATEMENTS

(13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
Not applicable

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments
Not applicable

B. Assessments

(1) Nature of Any Assets That Could Have a Material Financial Effect

The company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred.

The Company has accrued a liability for guaranty fund and other assessments of \$0 and a related premium tax benefit asset of \$344. These represent management's best estimates based on information received from the states in which the Company writes business and may change due to many factors, including the Company's share of the ultimate cost of current insolvencies.

(2) Assets Recognized From Paid and Accrued Premium Tax Offsets and Policy Surcharges

The company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred.

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year –end	\$ 688
b. Decreases current year:	\$ 344
c. Increases current year:	\$
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$ 344

(3) Undiscounted and Discounted Guaranty Fund Assessments

a. Discount rate applied

%

b. The undiscounted and discounted amount of the guaranty fund assessments and related assets by insolvency:

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted
	\$	\$	\$	\$

c. Number of jurisdictions, ranges of years used to discount and weighted average number of years of the discounting time period for payables and recoverables by insolvency:

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Years

C. Gain Contingencies

Not applicable

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

Not applicable

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$ Zero

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant:

(f) Per Claim [X] (g) Per Claimant []

Not applicable

E. Product Warranties

(1) Accounting Policy and Methodology Used in Determining Product Warranties

Not applicable

NOTES TO FINANCIAL STATEMENTS

(2) Reconciliation of Aggregate Product Warranty Liability
Not applicable

a. Product warranty liability beginning balance	\$
b. Reductions for payments made under the warranty	
c. Liability accrual for product warranties issued during the current period	
d. Change in liability accrual for product warranties issued in previous period	
e. Product warranty liability ending balance	\$

Not applicable

F. Joint and Several Liabilities
Not applicable

G. All Other Contingencies
Not applicable

Note 15 – Leases

Not applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales
Not applicable

B. Transfer and Servicing of Financial Assets
Not applicable

C. Wash Sales

(1) Description of the Objectives Regarding These Transactions

In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2018 and reacquired within 30 days of the sale date are:

There were no securities with an NAIC designation 3 or below that were sold during the year and reacquired within 30 days of the sale

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

Not applicable

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

Not applicable

Note 20 – Fair Value Measurements

A. Fair Value Measurements
(1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Bonds - I&M	\$ 84,903	\$	\$	\$	\$ 84,903
Preferred Stock - Perpetual I&M	\$ 212,044	\$	\$	\$	\$ 212,044
Common Stock - I&M	\$ 333,795	\$	\$	\$	\$ 333,795
Common Stock - Mutual Funds	\$ 3,582,472	\$	\$	\$	\$ 3,582,472
Common Stock - Affiliated	\$ 6,952,081	\$	\$	\$	\$ 6,952,081
Total	\$ 11,165,295	\$	\$	\$	\$ 11,165,295
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

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

Description	Beginning Balance at 1/1/2018	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	Settlem-ents	Ending Balance at 12/31/2018
a. Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
b. Liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(3) Policies when Transfers Between Levels are Recognized

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

(5) Fair Value Disclosures

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements
Not applicableC. Fair Value Level
Not applicable

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
	\$	\$	\$	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value
Not applicable**Note 21 – Other Items**A. Unusual or Infrequent Items
Not applicableB. Troubled Debt Restructuring Debtors
Not applicableC. Other Disclosures
Not applicableD. Business Interruption Insurance Recoveries
Not applicableE. State Transferable and Non-Transferable Tax Credits
Not applicable

Description of State Transferable and Non-Transferable Tax Credits	State	Carrying Value	Unused Amount
Subprime Mortgage Related Risk Exposure			

(1) Description of the Subprime-Mortgage-Related Exposure and Related Risk Management Policies

In regards to the portfolio of fixed income securities, subprime mortgage related exposure represents approximately 0.01% of the total fair value of the portfolio. This portion of the portfolio contains unrealized losses of \$0 resulting from changes in asset values. Securities primarily backed by pools with the following characteristics calculated on a weighted average basis are identified as investments with subprime mortgage related risks:

- First lien mortgages where borrowers have FICO scores less than 650
- First lien mortgages with loan-to-value ratios greater than 95%
- Second lien mortgages where borrowers have FICO scores less than 675
- Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650

(2) Direct Exposure Through Investments in Subprime Mortgage Loans
Not applicable

NOTES TO FINANCIAL STATEMENTS

(3) Direct Exposure Through Other Investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 3,875	\$ 4,426	\$ 3,948	\$
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$ 3,875	\$ 4,426	\$ 3,948	\$

* These investments comprise % of the company's invested assets.

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage
Not applicable

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at end of Current Period	IBNR Reserves at End of Current Period
a. Mortgage guaranty coverage	\$	\$	\$	\$
b. Financial guaranty coverage				
c. Other lines (specify):				
d. Total	\$	\$	\$	\$

G. Insurance-Linked Securities (ILS) Contracts
Not applicable**Note 22 – Events Subsequent**

Subsequent events have been considered through for these statutory financial statements which are to be issued on .

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

Yes [] No [X]

	2018	2017
B. ACA fee assessment payable for the upcoming year	\$	\$
C. ACA fee assessment paid	\$	\$
D. Premium written subject to ACA 9010 assessment	\$	\$
E. Total adjusted capital before surplus adjustment (Five-Year Historical Line 28)	\$ 18,122,356	
F. Total adjusted capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 18,122,356	
G. Authorized control level (Five-Year Historical Line 29)	\$ 3,098,864	

H. Would reporting the ACA assessment as of December 31, 2018 have triggered an RBC action level (YES/NO)?

Yes [] No []

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

	NAIC Group Code	FEIN	Unsecured Recoverables
Employers Mutual Casualty Company	21415	42-0234980	\$ 557,000
Everest Reinsurance Company	26921	22-2005057	\$ 1,206,000
Liberty Mutual Insurance Company	23043	04-1543470	\$ 810,000
Munich Reinsurance America, Inc.	10227	13-4924125	\$ 1,637,000
Transatlantic Reinsurance Company	19453	13-5616275	\$ 872,000
Hannover Rück SE		AA-1340125	\$ 566,000
Home and Farm Insurance Company	17639	35-1630739	\$ 1,053,000

B. Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverables in dispute

NOTES TO FINANCIAL STATEMENTS**C. Reinsurance Assumed and Ceded****(1) Maximum Amount of Return Commission**

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 9,843	\$	\$ 791,779	\$	\$ (781,936)	\$
b. All Other			2,991,992	773,611	(2,991,992)	(773,611)
c. Total	\$ 9,843	\$	\$ 3,783,771	\$ 773,611	\$ (3,773,928)	\$ (773,611)
d. Direct Unearned Premium Reserves						\$

(2) Additional or Return Commission

	Direct	Assumed	Ceded	Net
a. Contingent commission	\$	\$	\$	\$
b. Sliding scale adjustments			40,600	(40,600)
c. Other profit commission arrangements			14,916	(14,916)
d. Total	\$	\$	\$ 55,516	\$ (55,516)

(3) Types of Risks Attributed to Protected Cell
Not applicable**D. Uncollectible Reinsurance**

The Company does not have any uncollectible reinsurance.

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

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

Not applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**A. Change in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2017 were \$9.887 million. As of December 31, 2018, \$5.994 million has been paid for incurred losses and loss adjusting expense attributable to insured events of prior years. Reserves remaining for prior years are now \$4.601 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the auto liability and homeowners & farmowners lines of insurance. Therefore, there has been \$708,000 of unfavorable prior year development since December 31, 2017 to December 31, 2018. The increase is generally the result on ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company does not have retrospectively rated policies.

B. Information about Significant Changes in Methodologies and Assumptions

No change in methodology.

Note 26 – Intercompany Pooling Arrangements**A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool**

Lead Entity and all Affiliated Entities
Buckeye State Mutual Insurance Company
Home and Farm Insurance Company

NAIC Company Code	Pooling Percentage
16713	95.0%
17639	5.0%

B. Description of Lines and Types of Business Subject to the Pooling Agreement
All lines of business are included in the pooling agreement.

NOTES TO FINANCIAL STATEMENTS

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement
Cessions to non-affiliated reinsurers are done prior to the pooling agreement cessions.

D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers
Buckeye and Home and Farm are in reinsurance agreements with non-affiliated reinsurers.

E. Explanation of Discrepancies Between Entries of Pooled Business
Not applicable

F. Description of Intercompany Sharing
Not applicable

G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool
\$107,560 is due as of December 31, 2018 to Buckeye from Home and Farm due to the pooling agreement

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

1.	Liability carried for premium deficiency reserve:	<u>\$0</u>
2.	Date of most recent evaluation of this liability:	<u>December 31, 2018</u>
3.	Was anticipated investment income utilized in the calculation?	Yes [] No [X]

Note 31 – High Deductibles

Not applicable

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

A. Tabular Discount

The Company does not discount unpaid losses or unpaid loss adjustment expenses.
The Company does not discount unpaid losses or unpaid loss adjustment expenses.

Note 33 – Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

The Company has not been notified of any past or current insured for which significant exposure exists due to these types of claims. Therefore, the Company has no loss or loss adjustment expense reserves for asbestos or environmental liabilities.

Note 34 – Subscriber Savings Accounts

Not applicable.

Note 35 – Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

Not applicable