17884201820100100 2018 Document Code: 201

# ANNUAL STATEMENT

For the Year Ended December 31, 2018

OF THE CONDITION AND AFFAIRS OF THE

# GERMAN MUTUAL INSURANCE COMPANY

NAIC Group Code 4787 , 4787 (current period) (prior period) NAIC Company Code 17884 Employer's ID Number 34-4469685

Organized under the Laws of Ohio , State of Domicile or Port of Entry OH

Country of Domicile United States of America

Incorporated/Organized 12/28/1984 Commenced Business 06/01/1867

Statutory Home Office 1000 Westmoreland Avenue (Street and Number) , Napoleon, OH, US 43545 (City or Town, State, Country and Zip Code)

Main Administrative Office 625 West Main Street (Street and Number)

New Holland, PA, US 17557-0489 (City or Town, State, Country and Zip Code) (717)354-4921 (Area Code)(Telephone Number)

Mail Address PO Box 489 (Street and Number or P.O. Box) , New Holland, PA, US 17557-0489 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 625 West Main Street (Street and Number)

New Holland, PA, US 17557-0489 (City or Town, State, Country and Zip Code) (717)354-4921 (Area Code)(Telephone Number)

Internet Website Address german.goodville.com

Statutory Statement Contact Philip Wesley Shirk (Name) (717)354-4921-270 (Area Code)(Telephone Number)(Extension)

Phil.Shirk@goodville.com (E-Mail Address) (717)354-5158 (Fax Number)

## OFFICERS

| Name | Title |
|---|---|
| David Charles Gautsche | President |
| John Landis Frankenfield | Secretary |
| Allon H Lefever | Treasurer |

## OTHERS

Philip Wesley Shirk, Vice President
Jerry Lee Goodpaster, Assistant Secretary
Philip Wesley Shirk, Assistant Treasurer

## DIRECTORS OR TRUSTEES

| | | |
|---|---|---|
| Sanford Landis Alderfer | Andrew Dula | Gregory Allen Edwards |
| John Landis Frankenfield | David Charles Gautsche | James Milton Harder |
| Allon H Lefever | John Carlton Lehman Miller | John Scott Miller |
| Lori Beth Miller | Donald Lee Nice | Miriam Emma Shirk |
| Glennys Heatwole Shouey | Jeremy Charles Shue | Alan Edward Wyse |

State of Pennsylvania

County of Lancaster ss

The officers of this reporting entity being duly affirmed, 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) | (Signature) | (Signature) |
| David Charles Gautsche | Jerry Lee Goodpaster | Philip Wesley Shirk |
| (Printed Name) 1. | (Printed Name) 2. | (Printed Name) 3. |
| President | Assistant Secretary | Assistant Treasurer (CFO) |
| (Title) | (Title) | (Title) |

Subscribed and affirmed to before me this

_____ day of ____________ 2019

(Notary Public Signature)

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

b. If no:
1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

# 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) | 29,858,504 | | 29,858,504 | 25,635,969 |
| 2. | Stocks (Schedule D): | | | | |
| | 2.1 Preferred stocks | 298,650 | | 298,650 | 308,505 |
| | 2.2 Common Stocks | 8,069,607 | | 8,069,607 | 8,194,572 |
| 3. | Mortgage loans on real estate (Schedule B): | | | | |
| | 3.1 First liens | | | | |
| | 3.2 Other than first liens | | | | |
| 4. | Real estate (Schedule A): | | | | |
| | 4.1 Properties occupied by the company (less $..............0 encumbrances) | 1,193,814 | | 1,193,814 | 1,129,274 |
| | 4.2 Properties held for the production of income (less $..............0 encumbrances) | 107,916 | | 107,916 | 107,916 |
| | 4.3 Properties held for sale (less $..............0 encumbrances) | | | | |
| 5. | Cash ($.........230,061, Schedule E Part 1), cash equivalents ($.........122,480, Schedule E Part 2) and short-term investments ($..............0, Schedule DA) | 352,541 | | 352,541 | 2,099,250 |
| 6. | Contract loans (including $..............0 premium notes) | | | | |
| 7. | Derivatives (Schedule DB) | | | | |
| 8. | Other invested assets (Schedule BA) | | | | |
| 9. | Receivables for securities | | | | |
| 10. | Securities Lending Reinvested Collateral Assets (Schedule DL) | | | | |
| 11. | Aggregate write-ins for invested assets | | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 39,881,032 | | 39,881,032 | 37,475,486 |
| 13. | Title plants less $..............0 charged off (for Title insurers only) | | | | |
| 14. | Investment income due and accrued | 135,158 | | 135,158 | 104,606 |
| 15. | Premiums and considerations: | | | | |
| | 15.1 Uncollected premiums and agents' balances in the course of collection | 5,895,960 | | 5,895,960 | 5,609,827 |
| | 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $..............0 earned but unbilled premiums) | | | | |
| | 15.3 Accrued retrospective premiums ($..............0) and contracts subject to redetermination ($..............0) | | | | |
| 16. | Reinsurance: | | | | |
| | 16.1 Amounts recoverable from reinsurers | 10,892 | | 10,892 | 414,178 |
| | 16.2 Funds held by or deposited with reinsured companies | | | | |
| | 16.3 Other amounts receivable under reinsurance contracts | | | | |
| 17. | Amounts receivable relating to uninsured plans | | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | 54,842 | | 54,842 | |
| 18.2 | Net deferred tax asset | 599,212 | 295,069 | 304,143 | 399,000 |
| 19. | Guaranty funds receivable or on deposit | | | | |
| 20. | Electronic data processing equipment and software | | | | 5,180 |
| 21. | Furniture and equipment, including health care delivery assets ($..............0) | 8,791 | 8,791 | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | 102,289 | | 102,289 | 1,024,702 |
| 24. | Health care ($..............0) and other amounts receivable | | | | |
| 25. | Aggregate write-ins for other than invested assets | | | | |
| 26. | TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 46,688,176 | 303,860 | 46,384,316 | 45,032,979 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. | TOTAL (Lines 26 and 27) | 46,688,176 | 303,860 | 46,384,316 | 45,032,979 |
| **DETAILS OF WRITE-INS** | | | | | |
| 1101. | | | | | |
| 1102. | | | | | |
| 1103. | | | | | |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. | | | | | |
| 2502. | | | | | |
| 2503. | | | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | | |

# LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| 1. | Losses (Part 2A, Line 35, Column 8) | 6,973,353 | 6,353,410 |
| 2. | Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) | 3,008,808 | 3,208,241 |
| 3. | Loss adjustment expenses (Part 2A, Line 35, Column 9) | 1,271,092 | 1,161,881 |
| 4. | Commissions payable, contingent commissions and other similar charges | 962,945 | 873,269 |
| 5. | Other expenses (excluding taxes, licenses and fees) | 2,373,693 | 2,139,570 |
| 6. | Taxes, licenses and fees (excluding federal and foreign income taxes) | 319,228 | 301,879 |
| 7.1 | Current federal and foreign income taxes (including $...............0 on realized capital gains (losses)) | | 11,984 |
| 7.2 | Net deferred tax liability | | |
| 8. | Borrowed money $...............0 and interest thereon $...............0 | | |
| 9. | Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $..............64 and including warranty reserves of $...............0 and accrued accident and health experience rating refunds including $...............0 for medical loss ratio rebate per the Public Health Service Act) | 9,912,860 | 9,203,901 |
| 10. | Advance premiums | | |
| 11. | Dividends declared and unpaid: | | |
| | 11.1 Stockholders | | |
| | 11.2 Policyholders | | |
| 12. | Ceded reinsurance premiums payable (net of ceding commissions) | (1,089) | (4,894) |
| 13. | Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) | | |
| 14. | Amounts withheld or retained by company for account of others | 1,493 | 1,224 |
| 15. | Remittances and items not allocated | | |
| 16. | Provision for reinsurance (including ($...............0 certified)) (Schedule F, Part 3 Column 78) | | |
| 17. | Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 18. | Drafts outstanding | | |
| 19. | Payable to parent, subsidiaries and affiliates | 1,917,218 | 3,038,046 |
| 20. | Derivatives | | |
| 21. | Payable for securities | | |
| 22. | Payable for securities lending | | |
| 23. | Liability for amounts held under uninsured plans | | |
| 24. | Capital notes $..............0 and interest thereon $..............0 | | |
| 25. | Aggregate write-ins for liabilities | (4,080) | |
| 26. | TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25) | 26,735,521 | 26,288,511 |
| 27. | Protected cell liabilities | | |
| 28. | TOTAL Liabilities (Lines 26 and 27) | 26,735,521 | 26,288,511 |
| 29. | Aggregate write-ins for special surplus funds | | |
| 30. | Common capital stock | | |
| 31. | Preferred capital stock | | |
| 32. | Aggregate write-ins for other-than-special surplus funds | | |
| 33. | Surplus notes | | |
| 34. | Gross paid in and contributed surplus | | |
| 35. | Unassigned funds (surplus) | 19,648,795 | 18,744,468 |
| 36. | Less treasury stock, at cost: | | |
| | 36.1 ...............0 shares common (value included in Line 30 $...............0) | | |
| | 36.2 ...............0 shares preferred (value included in Line 31 $...............0) | | |
| 37. | Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39) | 19,648,795 | 18,744,468 |
| 38. | TOTALS (Page 2, Line 28, Column 3) | 46,384,316 | 45,032,979 |
| **DETAILS OF WRITE-INS** | | | |
| 2501. | General accounts payable | (4,080) | |
| 2502. | | | |
| 2503. | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | (4,080) | |
| 2901. | | | |
| 2902. | | | |
| 2903. | | | |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | |
| 2999. | TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) | | |
| 3201. | | | |
| 3202. | | | |
| 3203. | | | |
| 3298. | Summary of remaining write-ins for Line 32 from overflow page | | |
| 3299. | TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above) | | |

# STATEMENT OF INCOME

| | | 1 Current Year | 2 Prior Year |
|---|---|---|---|
| | **UNDERWRITING INCOME** | | |
| 1. | Premiums earned (Part 1, Line 35, Column 4) | 22,734,749 | 21,505,983 |
| **DEDUCTIONS** | | | |
| 2. | Losses incurred (Part 2, Line 35, Column 7) | 13,012,664 | 13,054,599 |
| 3. | Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 1,751,356 | 1,682,936 |
| 4. | Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 6,569,776 | 6,124,261 |
| 5. | Aggregate write-ins for underwriting deductions | | |
| 6. | TOTAL Underwriting Deductions (Lines 2 through 5) | 21,333,796 | 20,861,796 |
| 7. | Net income of protected cells | | |
| 8. | Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) | 1,400,953 | 644,187 |
| | **INVESTMENT INCOME** | | |
| 9. | Net investment income earned (Exhibit of Net Investment Income, Line 17) | 672,103 | 502,015 |
| 10. | Net realized capital gains (losses) less capital gains tax of $.........110,813 (Exhibit of Capital Gains (Losses)) | 414,812 | 350,207 |
| 11. | Net investment gain or (loss) (Lines 9 + 10) | 1,086,915 | 852,222 |
| | **OTHER INCOME** | | |
| 12. | Net gain or (loss) from agents' or premium balances charged off (amount recovered $...........3,959 amount charged off $..........18,123) | (14,164) | 42,147 |
| 13. | Finance and service charges not included in premiums | | 4,649 |
| 14. | Aggregate write-ins for miscellaneous income | (7,204) | 7,500 |
| 15. | TOTAL Other Income (Lines 12 through 14) | (21,368) | 54,296 |
| 16. | Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 2,466,500 | 1,550,705 |
| 17. | Dividends to policyholders | | |
| 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) | 2,466,500 | 1,550,705 |
| 19. | Federal and foreign income taxes incurred | (140,639) | (136,764) |
| 20. | Net income (Line 18 minus Line 19) (to Line 22) | 2,607,139 | 1,687,469 |
| | **CAPITAL AND SURPLUS ACCOUNT** | | |
| 21. | Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | 18,744,468 | 16,767,214 |
| 22. | Net income (from Line 20) | 2,607,139 | 1,687,469 |
| 23. | Net transfers (to) from Protected Cell accounts | | |
| 24. | Change in net unrealized capital gains or (losses) less capital gains tax of $.......(301,476) | (1,134,124) | 862,673 |
| 25. | Change in net unrealized foreign exchange capital gain (loss) | | |
| 26. | Change in net deferred income tax | (641,145) | (1,227,995) |
| 27. | Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3) | 270,009 | 852,659 |
| 28. | Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) | | |
| 29. | Change in surplus notes | | |
| 30. | Surplus (contributed to) withdrawn from protected cells | | |
| 31. | Cumulative effect of changes in accounting principles | (197,552) | (197,552) |
| 32. | Capital changes: | | |
| | 32.1 Paid in | | |
| | 32.2 Transferred from surplus (Stock Dividend) | | |
| | 32.3 Transferred to surplus | | |
| 33. | Surplus adjustments: | | |
| | 33.1 Paid in | | |
| | 33.2 Transferred to capital (Stock Dividend) | | |
| | 33.3 Transferred from capital | | |
| 34. | Net remittances from or (to) Home Office | | |
| 35. | Dividends to stockholders | | |
| 36. | Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1) | | |
| 37. | Aggregate write-ins for gains and losses in surplus | | |
| 38. | Change in surplus as regards policyholders for the year (Lines 22 through 37) | 904,327 | 1,977,254 |
| 39. | Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) | 19,648,795 | 18,744,468 |
| **DETAILS OF WRITE-INS** | | | |
| 0501. | | | |
| 0502. | | | |
| 0503. | | | |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | | |
| 0599. | TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | |
| 1401. | Gain (loss) on the sale of assets | (7,204) | 7,500 |
| 1402. | | | |
| 1403. | | | |
| 1498. | Summary of remaining write-ins for Line 14 from overflow page | | |
| 1499. | TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | (7,204) | 7,500 |
| 3701. | | | |
| 3702. | | | |
| 3703. | | | |
| 3798. | Summary of remaining write-ins for Line 37 from overflow page | | |
| 3799. | TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above) | | |

# CASH FLOW

| | | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|---|
| | | **Cash from Operations** | | |
| 1. | | Premiums collected net of reinsurance | 23,161,381 | 21,440,756 |
| 2. | | Net investment income | 804,531 | 613,189 |
| 3. | | Miscellaneous income | (21,367) | 54,296 |
| 4. | | TOTAL (Lines 1 through 3) | 23,944,545 | 22,108,241 |
| 5. | | Benefit and loss related payments | 12,188,868 | 11,725,312 |
| 6. | | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | | Commissions, expenses paid and aggregate write-ins for deductions | 8,068,248 | 7,679,172 |
| 8. | | Dividends paid to policyholders | | |
| 9. | | Federal and foreign income taxes paid (recovered) net of $.........169,746 tax on capital gains (losses) | 37,000 | 30,000 |
| 10. | | TOTAL (Lines 5 through 9) | 20,294,116 | 19,434,484 |
| 11. | | Net cash from operations (Line 4 minus Line 10) | 3,650,429 | 2,673,757 |
| | | **Cash from Investments** | | |
| 12. | | Proceeds from investments sold, matured or repaid: | | |
| | 12.1 | Bonds | 9,150,785 | 8,240,129 |
| | 12.2 | Stocks | 4,463,059 | 4,535,842 |
| | 12.3 | Mortgage loans | | |
| | 12.4 | Real estate | | |
| | 12.5 | Other invested assets | | |
| | 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| | 12.7 | Miscellaneous proceeds | | |
| | 12.8 | TOTAL Investment proceeds (Lines 12.1 to 12.7) | 13,613,844 | 12,775,971 |
| 13. | | Cost of investments acquired (long-term only): | | |
| | 13.1 | Bonds | 13,534,718 | 14,320,204 |
| | 13.2 | Stocks | 5,188,300 | 3,906,281 |
| | 13.3 | Mortgage loans | | |
| | 13.4 | Real estate | 117,198 | 11,078 |
| | 13.5 | Other invested assets | | |
| | 13.6 | Miscellaneous applications | | |
| | 13.7 | TOTAL Investments acquired (Lines 13.1 to 13.6) | 18,840,216 | 18,237,563 |
| 14. | | Net increase (decrease) in contract loans and premium notes | | |
| 15. | | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (5,226,372) | (5,461,592) |
| | | **Cash from Financing and Miscellaneous Sources** | | |
| 16. | | Cash provided (applied): | | |
| | 16.1 | Surplus notes, capital notes | | |
| | 16.2 | Capital and paid in surplus, less treasury stock | | |
| | 16.3 | Borrowed funds | | |
| | 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| | 16.5 | Dividends to stockholders | | |
| | 16.6 | Other cash provided (applied) | (170,766) | 777,068 |
| 17. | | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (170,766) | 777,068 |
| | | **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) | (1,746,709) | (2,010,767) |
| 19. | | Cash, cash equivalents and short-term investments: | | |
| | 19.1 | Beginning of year | 2,099,250 | 4,110,017 |
| | 19.2 | End of year (Line 18 plus Line 19.1) | 352,541 | 2,099,250 |

**Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

| | | | |
|---|---|---|---|
| 20.0001 | | | |
| 20.0002 | | | |

# UNDERWRITING AND INVESTMENT EXHIBIT
## PART 1 - PREMIUMS EARNED

| | Line of Business | 1<br>Net Premiums Written Per Column 6, Part 1B | 2<br>Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1 | 3<br>Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A | 4<br>Premiums Earned During Year (Columns 1 + 2 - 3) |
|---|---|---|---|---|---|
| 1. | Fire | 556,513 | 280,616 | 287,389 | 549,740 |
| 2. | Allied lines | 354,220 | 182,725 | 188,429 | 348,516 |
| 3. | Farmowners multiple peril | 3,085,862 | 1,465,603 | 1,531,086 | 3,020,379 |
| 4. | Homeowners multiple peril | 7,134,884 | 3,710,124 | 3,956,785 | 6,888,223 |
| 5. | Commercial multiple peril | 2,148,334 | 1,024,218 | 1,149,560 | 2,022,992 |
| 6. | Mortgage guaranty | | | | |
| 8. | Ocean marine | | | | |
| 9. | Inland marine | 41,008 | 21,568 | 21,481 | 41,095 |
| 10. | Financial guaranty | | | | |
| 11.1 | Medical professional liability - occurrence | | | | |
| 11.2 | Medical professional liability - claims-made | | | | |
| 12. | Earthquake | | | | |
| 13. | Group accident and health | | | | |
| 14. | Credit accident and health (group and individual) | | | | |
| 15. | Other accident and health | | | | |
| 16. | Workers' compensation | 33,744 | | 1,537 | 32,207 |
| 17.1 | Other liability - occurrence | 258,840 | 149,463 | 126,882 | 281,421 |
| 17.2 | Other liability - claims-made | | | | |
| 17.3 | Excess Workers' Compensation | | | | |
| 18.1 | Products liability - occurrence | 17,052 | 7,930 | 7,835 | 17,147 |
| 18.2 | Products liability - claims-made | | | | |
| 19.1 | 19.2 Private passenger auto liability | 4,880,327 | 1,125,059 | 1,251,742 | 4,753,644 |
| 19.3 | 19.4 Commercial auto liability | 387,535 | 173,950 | 192,181 | 369,304 |
| 21. | Auto physical damage | 4,545,389 | 1,062,645 | 1,197,953 | 4,410,081 |
| 22. | Aircraft (all perils) | | | | |
| 23. | Fidelity | | | | |
| 24. | Surety | | | | |
| 26. | Burglary and theft | | | | |
| 27. | Boiler and machinery | | | | |
| 28. | Credit | | | | |
| 29. | International | | | | |
| 30. | Warranty | | | | |
| 31. | Reinsurance-Nonproportional Assumed Property | | | | |
| 32. | Reinsurance-Nonproportional Assumed Liability | | | | |
| 33. | Reinsurance-Nonproportional Assumed Financial Lines | | | | |
| 34. | Aggregate write-ins for other lines of business | | | | |
| 35. | TOTALS | 23,443,708 | 9,203,901 | 9,912,860 | 22,734,749 |
| **DETAILS OF WRITE-INS** | | | | | |
| 3401. | | | | | |
| 3402. | | | | | |
| 3403. | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | |
| 3499. | TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | | |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1A - RECAPITULATION OF ALL PREMIUMS

| | Line of Business | 1<br>Amount Unearned (Running One Year or Less From Date of Policy) (a) | 2<br>Amount Unearned (Running More Than One Year From Date of Policy) (a) | 3<br>Earned But Unbilled Premium | 4<br>Reserve for Rate Credits and Retrospective Adjustments Based on Experience | 5<br>Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4 |
|---|---|---|---|---|---|---|
| 1. | Fire | 287,389 | | | | 287,389 |
| 2. | Allied lines | 188,429 | | | | 188,429 |
| 3. | Farmowners multiple peril | 1,531,086 | | | | 1,531,086 |
| 4. | Homeowners multiple peril | 3,956,785 | | | | 3,956,785 |
| 5. | Commercial multiple peril | 1,149,560 | | | | 1,149,560 |
| 6. | Mortgage guaranty | | | | | |
| 8. | Ocean marine | | | | | |
| 9. | Inland marine | 21,481 | | | | 21,481 |
| 10. | Financial guaranty | | | | | |
| 11.1 | Medical professional liability - occurrence | | | | | |
| 11.2 | Medical professional liability - claims-made | | | | | |
| 12. | Earthquake | | | | | |
| 13. | Group accident and health | | | | | |
| 14. | Credit accident and health (group and individual) | | | | | |
| 15. | Other accident and health | | | | | |
| 16. | Workers' compensation | 1,537 | | | | 1,537 |
| 17.1 | Other liability - occurrence | 126,882 | | | | 126,882 |
| 17.2 | Other liability - claims-made | | | | | |
| 17.3 | Excess Workers' Compensation | | | | | |
| 18.1 | Products liability - occurrence | 7,835 | | | | 7,835 |
| 18.2 | Products liability - claims-made | | | | | |
| 19.1 | 19.2 Private passenger auto liability | 1,251,742 | | | | 1,251,742 |
| 19.3 | 19.4 Commercial auto liability | 192,181 | | | | 192,181 |
| 21. | Auto physical damage | 1,197,953 | | | | 1,197,953 |
| 22. | Aircraft (all perils) | | | | | |
| 23. | Fidelity | | | | | |
| 24. | Surety | | | | | |
| 26. | Burglary and theft | | | | | |
| 27. | Boiler and machinery | | | | | |
| 28. | Credit | | | | | |
| 29. | International | | | | | |
| 30. | Warranty | | | | | |
| 31. | Reinsurance-Nonproportional Assumed Property | | | | | |
| 32. | Reinsurance-Nonproportional Assumed Liability | | | | | |
| 33. | Reinsurance-Nonproportional Assumed Financial Lines | | | | | |
| 34. | Aggregate write-ins for other lines of business | | | | | |
| 35. | TOTALS | 9,912,860 | | | | 9,912,860 |
| 36. | Accrued retrospective premiums based on experience | | | | | |
| 37. | Earned but unbilled premiums | | | | | |
| 38. | Balance (Sum of Lines 35 through 37) | | | | | 9,912,860 |
| | **DETAILS OF WRITE-INS** | | | | | |
| 3401. | | | | | | |
| 3402. | | | | | | |
| 3403. | | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | | |
| 3499. | TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | | | |

(a) State here basis of computation used in each case: Daily pro-rata

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

| | Line of Business | 1<br>Direct Business (a) | Reinsurance Assumed<br>2<br>From Affiliates | Reinsurance Assumed<br>3<br>From Non-Affiliates | Reinsurance Ceded<br>4<br>To Affiliates | Reinsurance Ceded<br>5<br>To Non-Affiliates | 6<br>Net Premiums Written Columns 1+2+3-4-5 |
|---|---|---|---|---|---|---|---|
| 1. | Fire | | 556,513 | | | | 556,513 |
| 2. | Allied lines | | 354,220 | | | | 354,220 |
| 3. | Farmowners multiple peril | | 3,085,862 | | | | 3,085,862 |
| 4. | Homeowners multiple peril | | 7,134,884 | | | | 7,134,884 |
| 5. | Commercial multiple peril | | 2,148,334 | | | | 2,148,334 |
| 6. | Mortgage guaranty | | | | | | |
| 8. | Ocean marine | | | | | | |
| 9. | Inland marine | | 41,008 | | | | 41,008 |
| 10. | Financial guaranty | | | | | | |
| 11.1 | Medical professional liability - occurrence | | | | | | |
| 11.2 | Medical professional liability - claims-made | | | | | | |
| 12. | Earthquake | | | | | | |
| 13. | Group accident and health | | | | | | |
| 14. | Credit accident and health (group and individual) | | | | | | |
| 15. | Other accident and health | | | | | | |
| 16. | Workers' compensation | | 33,744 | | | | 33,744 |
| 17.1 | Other liability - occurrence | | 258,840 | 2,849 | 2,849 | | 258,840 |
| 17.2 | Other liability - claims-made | | | | | | |
| 17.3 | Excess Workers' Compensation | | | | | | |
| 18.1 | Products liability - occurrence | | 17,052 | | | | 17,052 |
| 18.2 | Products liability - claims-made | | | | | | |
| 19.1 | 19.2 Private passenger auto liability | | 4,880,327 | | | | 4,880,327 |
| 19.3 | 19.4 Commercial auto liability | | 387,535 | 162 | 162 | | 387,535 |
| 21. | Auto physical damage | | 4,545,389 | | | | 4,545,389 |
| 22. | Aircraft (all perils) | | | | | | |
| 23. | Fidelity | | | | | | |
| 24. | Surety | | | | | | |
| 26. | Burglary and theft | | | | | | |
| 27. | Boiler and machinery | | | | | | |
| 28. | Credit | | | | | | |
| 29. | International | | | | | | |
| 30. | Warranty | | | | | | |
| 31. | Reinsurance-Nonproportional Assumed Property | X X X | | | | | |
| 32. | Reinsurance-Nonproportional Assumed Liability | X X X | | | | | |
| 33. | Reinsurance-Nonproportional Assumed Financial Lines | X X X | | | | | |
| 34. | Aggregate write-ins for other lines of business | | | | | | |
| 35. | TOTALS | | 23,443,708 | 3,011 | 3,011 | | 23,443,708 |
| **DETAILS OF WRITE-INS** | | | | | | | |
| 3401. | | | | | | | |
| 3402. | | | | | | | |
| 3403. | | | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | | | |
| 3499. | TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | | | | |

(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 $..............0.
(2) Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $..............0

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - LOSSES PAID AND INCURRED

| | Losses Paid Less Salvage | | | | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Line of Business | 1<br>Direct Business | 2<br>Reinsurance Assumed | 3<br>Reinsurance Recovered | 4<br>Net Payments (Columns 1 + 2 - 3) | Net Losses Unpaid Current Year (Part 2A, Column 8) | Net Losses Unpaid Prior Year | Losses Incurred Current Year (Columns 4 + 5 - 6) | Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1) |
| 1. Fire | | 184,543 | | 184,543 | 90,938 | 40,657 | 234,824 | 42.72 |
| 2. Allied lines | | 270,165 | | 270,165 | 38,100 | 50,244 | 258,021 | 74.03 |
| 3. Farmowners multiple peril | 370,545 | 1,164,182 | 370,545 | 1,164,182 | 561,124 | 377,679 | 1,347,627 | 44.62 |
| 4. Homeowners multiple peril | 138,026 | 3,949,823 | 138,026 | 3,949,823 | 1,065,345 | 1,434,453 | 3,580,715 | 51.98 |
| 5. Commercial multiple peril | 7,000 | 846,597 | 7,000 | 846,597 | 672,710 | 643,629 | 875,678 | 43.29 |
| 6. Mortgage guaranty | | | | | | | | |
| 8. Ocean marine | | | | | | | | |
| 9. Inland marine | | 4,956 | | 4,956 | 322 | | 5,278 | 12.84 |
| 10. Financial guaranty | | | | | | | | |
| 11.1 Medical professional liability - occurrence | | | | | | | | |
| 11.2 Medical professional liability - claims-made | | | | | | | | |
| 12. Earthquake | | | | | | | | |
| 13. Group accident and health | | | | | | | | |
| 14. Credit accident and health (group and individual) | | | | | | | | |
| 15. Other accident and health | | | | | | | | |
| 16. Workers' compensation | | 398 | | 398 | 4,659 | 3,051 | 2,006 | 6.23 |
| 17.1 Other liability - occurrence | | 42,525 | 13,493 | 29,032 | 90,652 | 143,033 | (23,349) | (8.30) |
| 17.2 Other liability - claims-made | | | | | | | | |
| 17.3 Excess Workers' Compensation | | | | | | | | |
| 18.1 Products liability - occurrence | | 15,141 | | 15,141 | 2,250 | 18,000 | (609) | (3.55) |
| 18.2 Products liability - claims made | | | | | | | | |
| 19.1 19.2 Private passenger auto liability | 178,073 | 2,989,940 | 178,073 | 2,989,940 | 3,867,126 | 3,214,950 | 3,642,116 | 76.62 |
| 19.3 19.4 Commercial auto liability | | 183,337 | 283 | 183,054 | 385,686 | 286,896 | 281,844 | 76.32 |
| 21. Auto physical damage | (5,683) | 2,754,890 | (5,683) | 2,754,890 | 194,441 | 140,818 | 2,808,513 | 63.68 |
| 22. Aircraft (all perils) | | | | | | | | |
| 23. Fidelity | | | | | | | | |
| 24. Surety | | | | | | | | |
| 26. Burglary and theft | | | | | | | | |
| 27. Boiler and machinery | | | | | | | | |
| 28. Credit | | | | | | | | |
| 29. International | | | | | | | | |
| 30. Warranty | | | | | | | | |
| 31. Reinsurance-Nonproportional Assumed Property | XXX | | | | | | | |
| 32. Reinsurance-Nonproportional Assumed Liability | XXX | | | | | | | |
| 33. Reinsurance-Nonproportional Assumed Financial Lines | XXX | | | | | | | |
| 34. Aggregate write-ins for other lines of business | | | | | | | | |
| 35. TOTALS | 687,961 | 12,406,497 | 701,737 | 12,392,721 | 6,973,353 | 6,353,410 | 13,012,664 | 57.24 |
| **DETAILS OF WRITE-INS** | | | | | | | | |
| 3401. | | | | | | | | |
| 3402. | | | | | | | | |
| 3403. | | | | | | | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | | | | | | | |
| 3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | | | | | | |

# 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 Excluding Incurred But Not Reported (Columns 1 + 2 - 3) | Direct | Reinsurance Assumed | Reinsurance Ceded | Net Losses Unpaid (Columns 4 + 5 + 6 - 7) | Net Unpaid Loss Adjustment Expenses |
| 1. | Fire | | 89,438 | | 89,438 | | 1,500 | | 90,938 | 16,016 |
| 2. | Allied Lines | | 37,350 | | 37,350 | | 750 | | 38,100 | 6,710 |
| 3. | Farmowners multiple peril | | 417,320 | | 417,320 | | 143,804 | | 561,124 | 102,230 |
| 4. | Homeowners multiple peril | 35,800 | 781,599 | 35,800 | 781,599 | 17,529 | 283,746 | 17,529 | 1,065,345 | 194,093 |
| 5. | Commercial multiple peril | | 445,882 | | 445,882 | | 226,828 | | 672,710 | 122,532 |
| 6. | Mortgage guaranty | | | | | | | | | |
| 8. | Ocean marine | | | | | | | | | |
| 9. | Inland marine | | 322 | | 322 | | | | 322 | 57 |
| 10. | Financial guaranty | | | | | | | | | |
| 11.1 | Medical professional liability - occurrence | | | | | | | | | |
| 11.2 | Medical professional liability - claims-made | | | | | | | | | |
| 12. | Earthquake | | | | | | | | | |
| 13. | Group accident & health | | | | | | | | (a) | |
| 14. | Credit accident & health (group & individual) | | | | | | | | | |
| 15. | Other accident & health | | | | | | | | (a) | |
| 16. | Workers' compensation | | 3,663 | | 3,663 | | 996 | | 4,659 | 632 |
| 17.1 | Other liability - occurrence | | 63,470 | 5,388 | 58,082 | | 42,432 | 9,862 | 90,652 | 18,449 |
| 17.2 | Other liability - claims-made | | | | | | | | | |
| 17.3 | Excess Workers' Compensation | | | | | | | | | |
| 18.1 | Products liability - occurrence | | 1,500 | | 1,500 | | 750 | | 2,250 | 410 |
| 18.2 | Products liability - claims-made | | | | | | | | | |
| 19.1 | 19.2 Private passenger auto liability | | 3,434,395 | | 3,434,395 | | 432,731 | | 3,867,126 | 704,400 |
| 19.3 | 19.4 Commercial auto liability | | 294,557 | | 294,557 | | 91,129 | | 385,686 | 70,147 |
| 21. | Auto physical damage | | 194,440 | | 194,440 | | 1 | | 194,441 | 35,416 |
| 22. | Aircraft (all perils) | | | | | | | | | |
| 23. | Fidelity | | | | | | | | | |
| 24. | Surety | | | | | | | | | |
| 26. | Burglary and theft | | | | | | | | | |
| 27. | Boiler and machinery | | | | | | | | | |
| 28. | Credit | | | | | | | | | |
| 29. | International | | | | | | | | | |
| 30. | Warranty | | | | | | | | | |
| 31. | Reinsurance-Nonproportional Assumed Property | XXX | | | | XXX | | | | |
| 32. | Reinsurance-Nonproportional Assumed Liability | XXX | | | | XXX | | | | |
| 33. | Reinsurance-Nonproportional Assumed Financial Lines | XXX | | | | XXX | | | | |
| 34. | Aggregate write-ins for other lines of business | | | | | | | | | |
| 35. | TOTALS | 35,800 | 5,763,936 | 41,188 | 5,758,548 | 17,529 | 1,224,667 | 27,391 | 6,973,353 | 1,271,092 |
| **DETAILS OF WRITE-INS** | | | | | | | | | | |
| 3401. | | | | | | | | | | |
| 3402. | | | | | | | | | | |
| 3403. | | | | | | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | | | | | | |
| 3499. | TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | | | | | | | |

(a) Including $..............0 for present value of life indemnity claims.

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

| | 1 Loss Adjustment Expenses | 2 Other Underwriting Expenses | 3 Investment Expenses | 4 Total |
|---|---|---|---|---|
| 1. Claim adjustment services: | | | | |
| 1.1 Direct | (139,713) | | | (139,713) |
| 1.2 Reinsurance assumed | 942,159 | | | 942,159 |
| 1.3 Reinsurance ceded | (148,947) | | | (148,947) |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) | 951,393 | | | 951,393 |
| 2. Commission and brokerage: | | | | |
| 2.1 Direct, excluding contingent | | (664) | | (664) |
| 2.2 Reinsurance assumed, excluding contingent | | 3,802,488 | | 3,802,488 |
| 2.3 Reinsurance ceded, excluding contingent | | 378 | | 378 |
| 2.4 Contingent - direct | | | | |
| 2.5 Contingent - reinsurance assumed | | 267,257 | | 267,257 |
| 2.6 Contingent - reinsurance ceded | | | | |
| 2.7 Policy and membership fees | | | | |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) | | 4,068,703 | | 4,068,703 |
| 3. Allowances to manager and agents | | 25,748 | | 25,748 |
| 4. Advertising | | 16,057 | | 16,057 |
| 5. Boards, bureaus and associations | 11,321 | 80,045 | | 91,366 |
| 6. Surveys and underwriting reports | 8,831 | 214,736 | | 223,567 |
| 7. Audit of assureds' records | | | | |
| 8. Salary and related items: | | | | |
| 8.1 Salaries | 415,796 | 780,279 | 29,581 | 1,225,656 |
| 8.2 Payroll taxes | 27,561 | 62,471 | 1,838 | 91,870 |
| 9. Employee relations and welfare | 96,440 | 216,171 | 6,358 | 318,969 |
| 10. Insurance | 7,841 | 17,773 | 523 | 26,137 |
| 11. Directors' fees | 21,423 | 48,558 | 1,428 | 71,409 |
| 12. Travel and travel items | 2,785 | 26,058 | | 28,843 |
| 13. Rent and rent items | 23,806 | 53,962 | 1,587 | 79,355 |
| 14. Equipment | 30,176 | 68,398 | 2,012 | 100,586 |
| 15. Cost or depreciation of EDP equipment and software | 19,611 | 44,451 | 1,307 | 65,369 |
| 16. Printing and stationery | 7,667 | 17,844 | 511 | 26,022 |
| 17. Postage, telephone and telegraph, exchange and express | 50,798 | 56,442 | 5,644 | 112,884 |
| 18. Legal and auditing | 54,252 | 113,565 | 93,102 | 260,919 |
| 19. TOTALS (Lines 3 to 18) | 778,308 | 1,842,558 | 143,891 | 2,764,757 |
| 20. Taxes, licenses and fees: | | | | |
| 20.1 State and local insurance taxes deducting guaranty association credits of $............155 | | 528,200 | | 528,200 |
| 20.2 Insurance department licenses and fees | | 55,452 | | 55,452 |
| 20.3 Gross guaranty association assessments | | 21,705 | | 21,705 |
| 20.4 All other (excluding federal and foreign income and real estate) | | 1,831 | | 1,831 |
| 20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) | | 607,188 | | 607,188 |
| 21. Real estate expenses | | | 46,437 | 46,437 |
| 22. Real estate taxes | | | 12,275 | 12,275 |
| 23. Reimbursements by uninsured plans | | | | |
| 24. Aggregate write-ins for miscellaneous expenses | 21,655 | 51,327 | 1,510 | 74,492 |
| 25. TOTAL expenses incurred | 1,751,356 | 6,569,776 | 204,113 | (a) 8,525,245 |
| 26. Less unpaid expenses - current year | 1,271,092 | 2,657,961 | 10,145 | 3,939,198 |
| 27. Add unpaid expenses - prior year | 1,161,881 | 2,514,288 | 11,307 | 3,687,476 |
| 28. Amounts receivable relating to uninsured plans, prior year | | | | |
| 29. Amounts receivable relating to uninsured plans, current year | | | | |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) | 1,642,145 | 6,426,103 | 205,275 | 8,273,523 |
| **DETAILS OF WRITE-INS** | | | | |
| 2401. Contributions and services rendered | 21,655 | 51,327 | 1,510 | 74,492 |
| 2402. | | | | |
| 2403. | | | | |
| 2498. Summary of remaining write-ins for Line 24 from overflow page | | | | |
| 2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) | 21,655 | 51,327 | 1,510 | 74,492 |

(a) Includes management fees of $..............0 to affiliates and $..............0 to non-affiliates.

# EXHIBIT OF NET INVESTMENT INCOME

| | | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|---|---|---|---|
| 1. | U.S. Government bonds | (a) 51,334 | 58,787 |
| 1.1 | Bonds exempt from U.S. tax | (a) 6,814 | 3,938 |
| 1.2 | Other bonds (unaffiliated) | (a) 567,921 | 591,106 |
| 1.3 | Bonds of affiliates | (a) | |
| 2.1 | Preferred stocks (unaffiliated) | (b) 15,599 | 15,985 |
| 2.11 | Preferred stocks of affiliates | (b) | |
| 2.2 | Common stocks (unaffiliated) | 162,947 | 165,404 |
| 2.21 | Common stocks of affiliates | | |
| 3. | Mortgage loans | (c) | |
| 4. | Real estate | (d) 81,944 | 81,944 |
| 5. | Contract loans | | |
| 6. | Cash, cash equivalents and short-term investments | (e) 11,762 | 11,710 |
| 7. | Derivative instruments | (f) | |
| 8. | Other invested assets | | |
| 9. | Aggregate write-ins for investment income | | |
| 10. | TOTAL gross investment income | 898,321 | 928,874 |
| 11. | Investment expenses | | (g) 204,113 |
| 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) 52,658 |
| 15. | Aggregate write-ins for deductions from investment income | | |
| 16. | TOTAL Deductions (Lines 11 through 15) | | 256,771 |
| 17. | Net Investment income (Line 10 minus Line 16) | | 672,103 |
| **DETAILS OF WRITE-INS** | | | |
| 0901. | | | |
| 0902. | | | |
| 0903. | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | |
| 1501. | | | |
| 1502. | | | |
| 1503. | | | |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. | TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) | | |

(a) Includes $..........14,954 accrual of discount less $.........125,991 amortization of premium and less $..........39,100 paid for accrued interest on purchases.
(b) Includes $...............0 accrual of discount less $............447 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 $...............0 paid for accrued interest on purchases.
(d) Includes $..........81,944 for company's occupancy of its own buildings; and excludes $...............0 interest on encumbrances.
(e) Includes $...............0 accrual of discount less $...............0 amortization of premium and less $...............0 paid for accrued interest on purchases.
(f) Includes $...............0 accrual of discount less $...............0 amortization of premium.
(g) Includes $.........204,113 investment expenses and $...............0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $...............0 interest on surplus notes and $...............0 interest on capital notes.
(i) Includes $..........52,658 depreciation on real estate and $...............0 depreciation on other invested assets.

# EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1<br>Realized Gain (Loss) on Sales or Maturity | 2<br>Other Realized Adjustments | 3<br>Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4<br>Change in Unrealized Capital Gain (Loss) | 5<br>Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|---|---|---|---|---|---|---|
| 1. | U.S. Government bonds | (849) | | (849) | | |
| 1.1 | Bonds exempt from U.S. tax | (3,339) | | (3,339) | | |
| 1.2 | Other bonds (unaffiliated) | (2,971) | | (2,971) | (43,202) | |
| 1.3 | Bonds of affiliates | | | | | |
| 2.1 | Preferred stocks (unaffiliated) | (3,540) | | (3,540) | (41,399) | |
| 2.11 | Preferred stocks of affiliates | | | | | |
| 2.2 | Common stocks (unaffiliated) | 542,864 | (6,540) | 536,324 | (1,350,999) | |
| 2.21 | Common stocks of affiliates | | | | | |
| 3. | Mortgage loans | | | | | |
| 4. | Real estate | | | | | |
| 5. | Contract loans | | | | | |
| 6. | Cash, cash equivalents and short-term investments | | | | | |
| 7. | Derivative instruments | | | | | |
| 8. | Other invested assets | | | | | |
| 9. | Aggregate write-ins for capital gains (losses) | | | | | |
| 10. | TOTAL Capital gains (losses) | 532,165 | (6,540) | 525,625 | (1,435,600) | |
| **DETAILS OF WRITE-INS** | | | | | | |
| 0901. | | | | | | |
| 0902. | | | | | | |
| 0903. | | | | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | | | | |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | | | | |

# EXHIBIT OF NONADMITTED ASSETS

| | | 1<br>Current Year Total Nonadmitted Assets | 2<br>Prior Year Total Nonadmitted Assets | 3<br>Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|---|---|---|---|---|
| 1. | Bonds (Schedule D) | | | |
| 2. | Stocks (Schedule D): | | | |
| | 2.1 Preferred stocks | | | |
| | 2.2 Common stocks | | | |
| 3. | Mortgage loans on real estate (Schedule B): | | | |
| | 3.1 First liens | | | |
| | 3.2 Other than first liens | | | |
| 4. | Real estate (Schedule A): | | | |
| | 4.1 Properties occupied by the company | | | |
| | 4.2 Properties held for the production of income | | | |
| | 4.3 Properties held for sale | | | |
| 5. | Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | |
| 6. | Contract loans | | | |
| 7. | Derivatives (Schedule DB) | | | |
| 8. | Other invested assets (Schedule BA) | | | |
| 9. | Receivables for securities | | | |
| 10. | Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. | Aggregate write-ins for invested assets | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | | | |
| 13. | Title plants (for Title insurers only) | | | |
| 14. | Invested income due and accrued | | | |
| 15. | Premium and considerations: | | | |
| | 15.1 Uncollected premiums and agents' balances in the course of collection | | 2,857 | 2,857 |
| | 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| | 15.3 Accrued retrospective premiums and contracts subject to redetermination | | | |
| 16. | Reinsurance: | | | |
| | 16.1 Amounts recoverable from reinsurers | | | |
| | 16.2 Funds held by or deposited with reinsured companies | | | |
| | 16.3 Other amounts receivable under reinsurance contracts | | | |
| 17. | Amounts receivable relating to uninsured plans | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 | Net deferred tax asset | 295,069 | 539,881 | 244,812 |
| 19. | Guaranty funds receivable or on deposit | | | |
| 20. | Electronic data processing equipment and software | | (1,062) | (1,062) |
| 21. | Furniture and equipment, including health care delivery assets | 8,791 | 25,339 | 16,548 |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | | | |
| 24. | Health care and other amounts receivable | | | |
| 25. | Aggregate write-ins for other than invested assets | | 6,854 | 6,854 |
| 26. | TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 303,860 | 573,869 | 270,009 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. | TOTAL (Lines 26 and 27) | 303,860 | 573,869 | 270,009 |
| **DETAILS OF WRITE-INS** | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | |
| 2501. | Prepaid expenses | | 6,854 | 6,854 |
| 2502. | | | | |
| 2503. | | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | 6,854 | 6,854 |

# Notes to Financial Statements

## 1 Summary of Significant Accounting Policies

### A. Accounting Practices

The financial statements of German Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Insurance Department of the state of Ohio recognizes only statutory accounting practices prescribed by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company's net income and policyholders' surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

| | 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 | $ 2,607,139 | $ 1,687,469 |
| (2) State Prescribed Practices that increase (decrease) NAIC SAP: e.g., Depreciation of fixed assets | | | | 0 | 0 |
| (3) State Permitted Practices that increase (decrease) NAIC SAP: e.g., Depreciation, home office property | | | | 0 | 0 |
| (4) NAIC SAP (1-2-3=4) | XXX | XXX | XXX | $ 2,607,139 | $ 1,687,469 |
| Surplus: | | | | | |
| (5) Company state basis (Page 3, Line 37, Columns 1 & 2) | XXX | XXX | XXX | $ 19,648,795 | $ 18,744,468 |
| (6) State Prescribed Practices that increase (decrease) NAIC SAP: e.g., Goodwill, net e.g., Fixed Assets, net | | | | 0 | 0 |
| (7) State Permitted Practices that increase (decrease) NAIC SAP: e.g., Home Office Property | | | | 0 | 0 |
| (8) NAIC SAP (5-6-7=8) | XXX | XXX | XXX | $ 19,648,795 | $ 18,744,468 |

There are no accounting practices used by the Company which differ from NAIC SAP.

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

The preparation of financial statements in conformity with NAIC SAP 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 could differ from those estimates.

### C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business and are based on reports received from ceding companies for assumed reinsurance.

Expenses incurred in connection with acquiring new business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method.
3. Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
4. Preferred stocks are stated in accordance with guidance provided in SSAP No. 32.
5. The Company has no mortgage loans.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
7. The Company does not have any investments in subsidiaries.
8. The Company has no ownership interests in joint ventures.
9. The Company does not have any investments in derivatives.
10. The Company anticipates investment income, if applicable, as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts-Premiums.

# Notes to Financial Statements

11. 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 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 engage in any activities which would require it to provide for estimated pharmaceutical rebates.

D. Going Concern

Management does not have any substantial doubts about the Company's ability to continue as a going concern.

## 2 Accounting Changes and Corrections of Errors

In 2014, the Company changed its method for accounting for the nonvested portion of its Post-Retirement Health Benefit. In 2013, the Company elected to record the nonvested portion of the liability over ten years and included $197,552 of the liability as an expense in the Statement of Income. In 2018 and 2017, the Company recorded $197,552 of the liability as a direct charge to surplus. The total nonvested portion to be recorded over ten years is $1,975,520.

## 3 Business Combinations and Goodwill

The Company was not involved in any business combinations during the current year.

## 4 Discontinued Operations

The Company did not dispose of any business segments during the current year.

## 5 Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not have investments in mortgage loans.

B. Debt Restructuring

The Company did not have any investments or loans restructured in 2018.

C. Reverse Mortgages

The Company does not have investments in reverse mortgages.

D. Loan Backed Securities

1. Prepayment assumptions for mortgage-backed/loan-backed securities were obtained from broker dealer survey values or internal estimates.

2. There were no loan-backed securities with recognized other-than-temporary impairment losses in 2018.

3. The Company holds no loan-backed securities with a recognized other-than-temporary impairment for which the present value of cash flows expected to be collected is less than the securities amortized cost.

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 (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 | $ 26,423 |
| | 2. 12 Months or Longer | $ 127,583 |
| b. The aggregate related fair value of securities with unrealized losses: | 1. Less than 12 Months | $ 2,981,864 |
| | 2. 12 Months or Longer | $ 5,323,752 |

5. The Company considers expected cash flows and amortized cost as a percentage of market value in determining that impairments are not other-than-temporary.

E. Dollar Repurchase Agreements and Securities Lending Transactions

The Company does not have any investments in dollar repurchase agreements.

The Company does not participate in any securities lending activities.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company does not have investments in repurchase agreements accounted for as secured borrowings.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company does not have investments in reverse repurchase agreements accounted for as secured borrowings.

# Notes to Financial Statements

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company does not have investments in repurchase agreements accounted for as a sale.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company does not have investments in reverse repurchase agreements accounted for as a sale.

J. Real Estate

1. The Company did not recognize an impairment loss on real estate during 2018.
2. The Company did not sell or classify any real estate investments as held for sale in 2018.
3. The Company did not change any plans of sale for investments in real estate in 2018.
4. The Company does not engage in retail land sale operations.
5. The Company does not hold real estate investments with participating mortgage loan features.

K. Low-Income Housing Tax Credits

The Company does not have investments in low-income housing tax credits.

L. Restricted Assets

The Company has no assets pledged to others as collateral or otherwise restricted by the Company.

M. Working Capital Finance Investments

The Company does not have any working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

The Company does not have any derivative, repurchase or reverse repurchase, or securities borrowing and securities lending assets and liabilities offset and reported net with a valid right of offset in accordance with SSAP No. 64.

O. Structured Notes

The Company does not have any investments in structured notes.

P. 5GI Securities

The Company does not have any securities designated 5GI for the current or prior year.

Q. Short Sales

The Company did not engage in any short sales during 2018.

R. Prepayment Penalty and Acceleration Fees

The Company did not have any investment income generated as a result of prepayment penalty or acceleration fees during 2018.

**6 Joint Ventures, Partnerships and Limited Liability Companies**

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during 2018.

**7 Investment Income**

The Company did not exclude from surplus any due and accrued investment income.

**8 Derivative Instruments**

The Company did not own derivative instruments during the current year.

# Notes to Financial Statements

## 9 Income Taxes

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

1.

| | 12/31/2018 | | | 12/31/2017 | | | 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 | $ 707,388 | $ 4,009 | $ 711,397 | $ 1,257,400 | $ 2,466 | $ 1,259,866 | $ (550,012) | $ 1,543 | $ (548,469) |
| (b) Stat. Valuation Allowance Adj | 67,098 | - | 67,098 | - | - | - | 67,098 | - | 67,098 |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b) | 640,290 | 4,009 | 644,299 | 1,257,400 | 2,466 | 1,259,866 | (617,110) | 1,543 | (615,567) |
| (d) Deferred Tax Assets Nonadmitted | 295,069 | - | 295,069 | 539,881 | - | 539,881 | (244,812) | - | (244,812) |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | 345,221 | 4,009 | 349,230 | 717,519 | 2,466 | 719,985 | (372,298) | 1,543 | (370,755) |
| (f) Deferred Tax Liabilities | 41,559 | 3,528 | 45,087 | 15,981 | 305,004 | 320,985 | 25,578 | (301,476) | (275,898) |
| (g) Net Admitted Deferred Tax Asset/ (Net Deferred Tax Liability) (1e-1f) | $ 303,662 | $ 481 | $ 304,143 | $ 701,538 | $ (302,538) | $ 399,000 | $ (397,876) | $ 303,019 | $ (94,857) |

2. Admission Calculation Components SSAP No. 101

| | 12/31/2018 | | | 12/31/2017 | | | 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 Limitations. (The Lesser of 2(b)1 and 2(b)2 Below) | 310,991 | 4,009 | 315,000 | 396,534 | 2,466 | 399,000 | (85,543) | 1,543 | (84,000) |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | XXX | XXX | - | XXX | XXX | - | XXX | XXX | - |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | XXX | XXX | 315,000 | XXX | XXX | 399,000 | XXX | XXX | (84,000) |
| (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. | 34,230 | - | 34,230 | 320,985 | - | 320,985 | (286,755) | - | (286,755) |
| (d) Deferred tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | $ 345,221 | $ 4,009 | $ 349,230 | $ 717,519 | $ 2,466 | $ 719,985 | $ (372,298) | $ 1,543 | $ (370,755) |

3.

| | 2018 | 2017 |
|---|---|---|
| (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. | 1208% | 1230% |
| (b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above. | $ 19,344,652 | $ 18,345,468 |

4. Impact of Tax-Planning Strategies

| | 12/31/2018 | | 12/31/2017 | | Change | |
|---|---|---|---|---|---|---|
| | (1) Ordinary | (2) Capital | (3) Ordinary | (4) Capital | (7) (Col 1-3) Ordinary | (8) (Col 2-4) Capital |
| (a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets By Tax Character As A Percentage | | | | | | |
| 1. Adjusted Gross DTAs Amount From Note 9A1(c) | $ 640,290 | $ 4,009 | $ 1,257,400 | $ 2,466 | $ (617,110) | $ 1,543 |
| 2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies | 0.000% | 0.564% | 0.000% | 0.196% | 0.000% | 0.368% |
| 3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e) | 345,221 | 4,009 | 717,519 | 2,466 | (372,298) | 1,543 |
| 4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies | 0.000% | 1.148% | 0.000% | 0.343% | 0.000% | 0.805% |

(b) Does the Company's Tax-planning Strategies include the use of reinsurance? Yes _____ No _X__

B. The Company does not have any deferred tax liabilities that are not recognized.

# Notes to Financial Statements

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

| | | | (1)<br>12/31/2018 | (2)<br>12/31/2017 | (3)<br>(Col 1-2) |
|---|---|---|---|---|---|
| 1. | Current Income Tax | | | | |
| | (a) | Federal | $ (140,639) | $ (136,764) | $ (3,875) |
| | (b) | Foreign | - | - | - |
| | (c) | Subtotal | (140,639) | (136,764) | (3,875) |
| | (d) | Federal income tax on net capital gains | 110,813 | 169,746 | (58,933) |
| | (e) | Utilization of capital loss carry-forwards | - | - | - |
| | (f) | Other | - | - | - |
| | (g) | Federal and foreign income taxes incurred | $ (29,826) | $ 32,982 | $ (62,808) |
| 2. | Deferred Tax Assets: | | | | |
| | (a) | Ordinary | | | |
| | | (1) Discounting of unpaid losses | $ 97,756 | $ 56,738 | $ 41,018 |
| | | (2) Unearned premium reserve | 416,340 | 386,564 | 29,776 |
| | | (3) Policyholder reserves | - | - | - |
| | | (4) Investments | - | - | - |
| | | (5) Deferred acquisition costs | - | - | - |
| | | (6) Policyholder dividends accrual | - | - | - |
| | | (7) Fixed assets | - | - | - |
| | | (8) Compensation and benefits accrual | 87,785 | 71,004 | 16,781 |
| | | (9) Pension accrual | - | - | - |
| | | (10) Receivables - nonadmitted | - | - | - |
| | | (11) Net operating loss carry-forward | 72,689 | 557,121 | (484,432) |
| | | (12) Tax credit carry-forward | 27,958 | 175,205 | (147,247) |
| | | (13) Other (including items <5% of total ordinary tax assets) | 4,860 | 10,768 | (5,908) |
| | | (99) Subtotal | $ 707,388 | $ 1,257,400 | $ (550,012) |
| | (b) | Statutory valuation allowance adjustment | 67,098 | - | 67,098 |
| | (c) | Nonadmitted | 295,069 | 539,881 | (244,812) |
| | (d) | Admitted ordinary deferred tax assets (2a99-2b-2c) | $ 345,221 | $ 717,519 | $ (372,298) |
| | (e) | Capital: | | | |
| | | (1) Investments | $ 4,009 | $ 2,466 | $ 1,543 |
| | | (2) Net capital loss carry-forward | - | - | - |
| | | (3) Real estate | - | - | - |
| | | (4) Other (including items <5% of total capital tax assets) | - | - | - |
| | | (99) Subtotal | $ 4,009 | $ 2,466 | $ 1,543 |
| | (f) | Statutory valuation allowance adjustment | - | - | - |
| | (g) | Nonadmitted | - | - | - |
| | (h) | Admitted capital deferred tax assets (2e99-2f-2g) | 4,009 | 2,466 | 1,543 |
| | (i) | Admitted deferred tax assets (2d+2h) | $ 349,230 | $ 719,985 | $ (370,755) |
| 3. | Deferred Tax Liabilities: | | | | |
| | (a) | Ordinary | | | |
| | | (1) Investments | $ - | $ - | $ - |
| | | (2) Fixed assets | 4,765 | 11,603 | (6,838) |
| | | (3) Deferred and uncollected premium | - | - | - |
| | | (4) Policyholder reserves | - | - | - |
| | | (5) Other (including items <5% of total ordinary tax liabilities) | 36,794 | 4,378 | 32,416 |
| | | (99) Subtotal | $ 41,559 | $ 15,981 | $ 25,578 |
| | (b) | Capital: | | | |
| | | (1) Investments | 3,528 | 305,004 | $ (301,476) |
| | | (2) Real estate | - | - | - |
| | | (3) Other (including items <5% of total capital tax liabilities) | - | - | - |
| | | (99) Subtotal | $ 3,528 | $ 305,004 | (301,476) |
| | (c) | Deferred tax liabilities (3a99+3b99) | $ 45,087 | $ 320,985 | $ (275,898) |
| 4. | Net deferred tax assets; (2i-3c) | | $ 304,143 | $ 399,000 | $ (94,857) |

The change in net deferred income taxes for 2018 and 2017 is as follows:

| | 2018 | 2017 | Change |
|---|---|---|---|
| Adjusted gross deferred tax assets | $ 644,299 | $ 1,259,866 | $ (615,567) |
| Total deferred tax liabilities | 45,087 | 320,985 | (275,898) |
| Net deferred tax asset | $ 599,212 | $ 938,881 | (339,669) |
| Tax effect of unrealized investment gains (losses) | | | (301,476) |
| Change in net deferred income tax | | | $ (641,145) |

| | 2017 | 2016 | Change |
|---|---|---|---|
| Adjusted gross deferred tax assets | $ 1,259,866 | $ 2,495,932 | $ (1,236,066) |
| Total deferred tax liabilities | 320,985 | 170,727 | 150,258 |
| Net deferred tax asset | $ 938,881 | $ 2,325,205 | (1,386,324) |
| Tax effect of unrealized investment gains (losses) | | | 158,329 |
| Change in net deferred income tax | | | $ (1,227,995) |

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

| | 2018 | 2017 |
|---|---|---|
| Provision computed at statutory rate | $ 541,236 | $ 584,953 |
| Tax-exempt interest | (620) | (3,635) |
| Dividend received deduction | (10,229) | (24,414) |
| Non-deductible expenses | 2,103 | 4,525 |
| Change in non-admitted assets | 5,292 | 18,134 |
| Effect of Tax Reform Act | - | 661,563 |
| Chang in valuation allowance | 67,098 | - |
| Prior year accrual adjustment | (1,868) | (918) |
| Other | 8,307 | 20,769 |
| Total statutory income taxes | $ 611,319 | $ 1,260,977 |
| Total federal income taxes incurred | $ (29,826) | $ 32,982 |
| Change in net deferred income taxes | 641,145 | 1,227,995 |
| Total statutory income taxes | $ 611,319 | $ 1,260,977 |

# Notes to Financial Statements

E. 1. The Company has $346,138 in unused operating loss carryforwards which can be utilized to offset taxable income in future periods. These losses begin to expire in 2024. The Company has no capital loss carryforward amounts. The Company has $27,958 of alternative minimum tax credit carryforwards available indefinitely to offset future regular taxable income.

The following is a rollward of Alternative Minimum Tax credit carryforwards. The AMT credit carryforward have been recognized as a deferred tax asset. The Company expects to either utilize or have refunded all the AMT carryforwards by December 31, 2021. As a results of a recent IRS announcement, none of the refundable AMT will be subject to sequestration.

| | | | Amount |
|---|---|---|---|
| 1. Gross AMT Credit Recognized as: | | | |
| (a) | Current year recoverable | $ | 27,958 |
| (b) | Deferred tax asset (DTA) | $ | 27,958 |
| 2. Beginning balance of AMT Credit Carryforward | | $ | 173,416 |
| 3. Amounts Recovered | | | 117,500 |
| 4. Adjustments | | | - |
| 5. Ending Balance of AMT Credit Carryforward (5=2-3-4) | | $ | 55,916 |
| 6. Reduction for Sequestration | | | - |
| 7. Nonadmitted by Reporting Entity | | | - |
| 8. Reporting Entity Ending Balance (8=5-6-7) | | $ | 55,916 |

2. The Company has no federal income taxes incurred in the current year or prior years that are available for recoupment in the event of future net losses.

3. The Company does not have any deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. The Company's federal income tax return is not consolidated with that of an other entity.

G. The Company had no federal or foreign income tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within 12 months of the reporting date.

The Company does not have any liabilities related to repatriation transition tax under the Tax Cuts and Jobs Act.

On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was signed into law. Most of the provisions of this bill did not affect corporate taxes paid until 2018 and beyond including reducing the top corporate tax rate from 34% to 21%. However, based upon applicable statutory accounting rules deferred income taxes are estimated based upon expected tax rates enacted prior to the date of the financial statements. Accordingly, the Company has estimated its deferred income taxes as of December 31, 2017 using a tax rate of 21%. The effect on policyholders' surplus was a decrease of $472,751 which is reported as components of changes in deferred income taxes. In 2018 other provisions of the TCJA became effective including reducing the corporate tax rate on current taxes to 21% from 34%, decreasing the dividends received deduction (DRD) to 50% from 70%, increasing the loss reserve discount rate and increasing the proration adjustment for insurance companies on DRD and tax-exempt interest to 25% from 15%. Overall the impact of the TCJA has reduced the Company's effective tax rate.

The TCJA's change to increase the loss reserve discount due to a change in the prescribed interest rates results in an increase to current taxable income. This change is considered a transition adjustment by the IRS and spreads the additional tax liability to the subsequent eight years beginning in 2018. The remaining transition adjustment is reported as a deferred tax liability.

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

A. The Company affiliated with Goodville Mutual Casualty Company of New Holland, PA effective July 1, 2013. The affiliation includes a 100% pooling arrangement and the companies are operating under common management. The Company receives a 15% share of the total pool while Goodville Mutual retains 85% of the 100% pooling arrangement. The pooling arrangement provides for the cession of activity from all lines of insurance written, including premium, losses and loss adjustment expenses from the Company to Goodville Mutual. The Company and Goodville Mutual also share expenses related to their joint operations. These expenses are allocated in the same proportion as the reinsurance activity.

B. The Company did not enter into any related party transactions other than the reinsurance pooling arrangement with its affiliate Goodville Mutual Casualty Company.

C. There were no related party transactions to record in 2018 or 2017.

D. At December 31, 2018, the Company reported $1,018,104 as amounts due from Goodville Mutual Casualty Company as a result of the intercompany pooling arrangement. The terms of settlement require that these amounts be settled within 45 days.

E. The Company had no guarantees or undertakings with related parties.

F. The Company had no material management or service contracts and cost-sharing arrangements with a related party other than the reinsurance pooling arrangement with Goodville Mutual.

G. The Company is under common management with its affiliate Goodville Mutual. The reinsurance pooling arrangement significantly effects the operating results and financial position of the Company.

H. The Company does not have either a parent or subsidiary.

I. The Company does not have any investments in an SCA entity.

J. The Company did not write down any investments in SCA entities during the current year.

K. The Company does not have any investments in foreign insurance subsidiaries.

L. The Company does not hold an investment in a downstream noninsurance holding company.

M. The Company does not have any SCA investments.

N. The Company does not have any investments in an insurance SCA.

O. The Company does not share in losses with any SCA entities.

**11 Debt**

A. The Company does not have any debt outstanding at December 31, 2018.

B. The Company does not have any FHLB loan agreements at December 31, 2018.

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

A. The Company sponsors a postretirement health care benefit plan covering substantially all employees of the Company and members of the Board of Directors who reach retirement age while working for the Company, have at least 15 years of service, and were employed as of December 31, 2004. This plan also covers the employee's spouse who has reached retirement age. The Company has terminated this plan for all employees hired and directors elected after December 31, 2004. The Company does not sponsor a defined benefit pension plan or special or contractual termination benefit plan.

A summary of assets, obligations and assumptions of the Postretirement Benefit Plan are as follows at December 31, 2018 and 2017:

1. Change in benefit obligation

b. Postretirement Benefits

| | Underfunded 2018 | Underfunded 2017 |
|---|---|---|
| 1. Benefit obligation at beginning of year | $ 1,523,097 | $ 1,088,611 |
| 2. Service cost | 115,384 | 109,712 |
| 3. Interest cost | 72,903 | 61,859 |
| 4. Contribution by plan participants | - | - |
| 5. Actuarial (gain)/loss | (277,709) | 325,181 |
| 6. Foreign currency exchange rate changes | - | - |
| 7. Benefit payments | (65,894) | (62,266) |
| 8. Plan amendments | - | - |
| 9. Business combinations, divestitures, curtailments, settlements and special termination benefits | - | - |
| 10. Benefit obligation at end of year | $ 1,367,781 | $ 1,523,097 |

The Company also accrues a nonvested liability. The total amount accrued as of December 31, 2018 is $987,760.

2. Change in Plan Assets

| | Postretirement Benefits 2018 | Postretirement Benefits 2017 |
|---|---|---|
| a. Fair value of plan assets at beginning of year | $ - | $ - |
| b. Actual return on plan assets | - | - |
| c. Foreign currency exchange rate changes | - | - |
| d. Reporting entity contribution | 65,894 | 62,266 |
| e. Plan participants' contributions | - | - |
| f. Benefits paid | (65,894) | (62,266) |
| g. Business combinations, divestitures and settlements | - | - |
| h. Fair value of plan assets at end of year | $ - | $ - |

3. Funded status

| | Postretirement Benefits 2018 | Postretirement Benefits 2017 |
|---|---|---|
| a. Components: | | |
| 1. Prepaid benefit costs | $ - | $ - |
| 2. Overfunded plan assets | $ - | $ - |
| 3. Accrued benefit costs | $ 1,367,781 | $ 1,523,097 |
| 4. Liability for pension benefits | $ - | $ - |
| b. Assets and liabilities recognized | | |
| 1. Assets (nonadmitted) | $ - | $ - |
| 2. Liabilities recognized | $ 1,367,781 | $ 1,523,097 |
| c. Unrecognized liabilities | $ 103,313 | $ 592,081 |

# Notes to Financial Statements

4. Components of net periodic benefit cost

| | Postretirement Benefits 2018 | Postretirement Benefits 2017 |
|---|---|---|
| a. Service cost | $ 115,384 | $ 109,712 |
| b. Interest cost | 72,903 | 61,859 |
| c. Expected return on plan assets | - | - |
| d. Transition asset or obligation | 241,745 | 241,745 |
| e. Gains and losses | (30,686) | (73,751) |
| f. Prior service cost or credit | - | - |
| g. Gain or loss recognized due to a settlement or curtailment | - | - |
| h. Total net periodic benefit cost | $ 399,346 | $ 339,565 |

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

| | Postretirement Benefits 2018 | Postretirement Benefits 2017 |
|---|---|---|
| a. Items not yet recognized as a component of net periodic cost - prior year | $ 987,760 | $ 1,185,312 |
| b. Net transition asset or obligation recognized | (197,552) | (197,552) |
| c. Net prior service cost or credit arising during the period | - | - |
| d. Net prior service cost or credit recognized | - | - |
| e. Net gain and loss arising during the period | - | - |
| f. Net gain and loss recognized | - | - |
| g. Items not yet recognized as a component of net periodic cost - current year | $ 790,208 | $ 987,760 |

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

| | Postretirement Benefits 2018 | Postretirement Benefits 2017 |
|---|---|---|
| a. Net transition asset or obligation | $ 197,552 | $ 197,552 |
| b. Net prior service cost or credit | $ - | $ - |
| c. Net recognized gains and losses | $ - | $ - |

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

| | Postretirement Benefits 2018 | Postretirement Benefits 2017 |
|---|---|---|
| a. Net transition asset or obligation | $ 790,208 | $ 987,760 |
| b. Net prior service cost or credit | $ - | $ - |
| c. Net recognized gains and losses | $ - | $ - |

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

| | 2018 | 2017 |
|---|---|---|
| a. Weighted-average discount rate | 3.50% | 4.25% |
| b. Expected long-term rate of return on plan assets | 0.00% | 0.00% |
| c. Rate of compensation increase | 0.00% | 0.00% |

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

| | 2018 | 2017 |
|---|---|---|
| d. Weighted-average discount rate | 4.50% | 3.50% |
| e. Rate of compensation increase | 0.00% | 0.00% |

9. The Company does not have a defined benefit pension plan.

10. For measurement purposes, a 5.4 percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2018. The rate was assumed to decrease gradually to 3.9 percent for 2075 and remain at that level thereafter.

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 | $ 47,785 | $ (35,935) |
| b. Effect on postretirement benefit obligation | $ 388,187 | $ (306,020) |

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

| | Year | Amount |
|---|---|---|
| a. | 2019 | $ 74,597 |
| b. | 2020 | $ 86,346 |
| c. | 2021 | $ 89,959 |
| d. | 2022 | $ 96,280 |
| e. | 2023 | $ 105,698 |
| f. | 2024-2028 | $ 609,826 |

13. The Company expects to make contributions of $74,597 to the plan in 2019.

20. The Company's accumulated postretirement benefit obligation, including the transition liability recognized, was $2,157,989 and $2,115,753 as of December 31, 2018 and 2017, respectively. The benefit plan has no plan assets, and therefore, the benefit obligation was underfunded.

21. In 2013, the Company elected to utilize the minimum transition option reflected in SSAP No. 102 and record the nonvested portion of its underfunded Post-Retirement Health Benefit over ten years. The minimum transition liability was $197,552. In 2018 and 2017, the Company recorded $197,552 of the liability as a direct charge to surplus. The total nonvested portion to be recorded over ten years is $1,975,520. As of December 31, 2018, the unrecognized transition liability was $790,208.

B. The Company's postretirement benefit plan does not have any plan assets for which investment policies and strategies are required.

C. The Company's postretirement benefit plan does not have any plan assets.

D. The Company's postretirement benefit plan does not have any plan assets for which an overall expected long-term rate-of-return-on-assets assumption is determined.

E. The Company maintains a 401(k) plan for eligible employees. Cost of the plan was $92,805 and $85,288 for 2018 and 2017, respectively.

F. The Company does not participate in a multiemployer plan.

G. The Company does not participate in a consolidated/holding company plan.

H. The Company does not have any obligations for postemployment benefits or compensated absences.

I. The Company does not provide any benefits that would be materially impacted by the Medicare Modernization Act of 2003.

**13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

1. The Company is a mutual insurance company and therefore does not have any issued or outstanding stock and is not eligible to pay stockholder dividends.

6. There were no restrictions placed on the Company’s surplus, including for whom surplus is being held.

7. The Company did not have any advances to surplus.

10. The portion of surplus represented or (reduced) by unrealized gains or (losses) as of December 31, 2018 is:

| | |
|---|---|
| Unrealized gains and (losses) | $ 16,799 |

11. The Company has not issued any surplus notes.

12. The Company has not entered into a quasi-reorganization.

**14 Liabilities, Contingencies and Assessments**

A. Contingent Commitments – None at December 31, 2018.

B. Assessments

The Company is subject to guaranty fund and other assessments by states in which it writes business. Guaranty fund assessments should be accrued at the time the insolvencies are known. Based upon available information the Company has provided a gross liability of $0 and $0 as of December 31, 2018 and 2017, respectively, for guaranty fund assessments. There were no refunds from or payments to the Ohio Insurance Guaranty Association in 2018.

C. Gain Contingencies – None at December 31, 2018.

D. During the current year, the Company has not paid any amounts to settle claims related to extra contractual obligations or bad faith losses.

E. Product Warranties.

The Company does not write or issue product warranties.

F. Joint and Several Liabilities

The Company does not have any joint and several liability arrangements accounted for under SSAP No. 5R.

G. All Other Contingencies

Various lawsuits against the Company have arisen in the course of the Company’s business including the adjustment of claims. Contingent liabilities arising from such litigation are not considered material in relation to the financial position of the Company. The Company has no asset that it considers to be impaired.

**15 Leases**

The Company does not have material lease obligations at December 31, 2018.

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

The Company does not own any financial instruments with off-balance sheet credit risk.

Financial instruments and other assets which potentially expose the Company to concentrations of credit risk consist primarily of bonds, other than U.S. government bonds, cash and short-term investments, premiums in course of collection and balances recoverable from reinsurers.

Non-U.S. government bonds are diversified and no one investment in bonds accounted for a significant portion of the Company's invested assets.

The Company's investment in a money market fund issued by Wells Fargo Bank represents 0.3% of the Company's total assets at December 31, 2018.

The Company maintains cash in bank deposit accounts that, at times, may exceed the federally insured limits. The Company has not experienced any losses from bank accounts.

As of December 31, 2018, the Company had an uncollateralized net reinsurance balance of approximately $9,000 for paid and unpaid losses and loss adjustment expenses due from 4 reinsurers which each has an A. M. Best rating of A or higher.

**17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. The Company did not engage in any transfers of receivables reported as sales.

B. The Company did not enter into any transactions involving the transfer and servicing of financial assets.

C. The Company did not enter into any wash sale transactions during the current year.

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

The Company did not serve as administrator for any uninsured or partially insured accident and health plans during the current year.

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

The Company did not have any direct premium written or produced through managing general agents or third party administrators during the current year.

**20 Fair Value Measurements**

A. The Company has used the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practicable to estimate:

Investments – The fair value of stocks are primarily based upon quoted market prices. The fair value of bonds are primarily based upon either quoted market prices or inputs derived principally from or corroborated from observable market information.

Cash and short-term investments - The carrying amounts reported in the statements of admitted assets, liabilities and policyholders' surplus for these instruments approximate their fair values.

The Company ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried or disclosed at fair value to be classified and disclosed in one of the following three categories:

Level 1 - Represents quoted prices in active markets for identical assets and liabilities. The Company considers U.S. treasury securities, covered call options and exchange-traded stocks to be Level 1 assets.

Level 2 - Represents financial assets whose fair value is determined based upon: quoted market prices for similar assets in active markets; quoted market prices for identical assets in inactive markets; inputs other than quoted market prices that are observable for the asset, such as interest rates or yield curves or other inputs derived principally from or corroborated from other observable market information. The Company considers all bonds, except U.S. treasury securities, to be Level 2 assets.

Level 3 - Represents financial assets whose fair value is determined based upon inputs that are unobservable.

1. The following table presents the fair value measurements for financial instruments measured and reported at fair value as of December 31, 2018.

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Total |
|---|---|---|---|---|---|
| a. Asset at fair value: | | | | | |
| Bonds: | | | | | |
| Industrial and Misc | $ - | $ 565,820 | $ - | $ - | $ 565,820 |
| Total Bonds | $ - | $ 565,820 | $ - | $ - | $ 565,820 |
| Common Stock: | | | | | |
| Industrial and Misc | $ 8,032,755 | $ 14,637 | $ 22,215 | $ - | $ 8,069,607 |
| Total Common Stocks | $ 8,032,755 | $ 14,637 | $ 22,215 | $ - | $ 8,069,607 |
| Preferred Stock: | | | | | |
| Industrial and Misc | $ 201,650 | $ 97,000 | $ - | $ - | $ 298,650 |
| Total Preferred Stocks | $ 201,650 | $ 97,000 | $ - | $ - | $ 298,650 |
| Total assets at fair value | $ 8,234,405 | $ 677,457 | $ 22,215 | $ - | $ 8,934,077 |
| b. Liabilities at fair value: | | | | | |
| Derivative liabilities | $ - | $ - | $ - | $ - | $ - |
| Total liabilities at fair value | $ - | $ - | $ - | $ - | $ - |

# Notes to Financial Statements

2. Changes in Level 3 assets are as follows:

| 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 | Settlements | Ending Balance at 12/31/2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| a. Assets | | | | | | | | | | |
| Common Stock | 20,990 | | | | 1,225 | | | | | 22,215 |
| Total Assets | $ 20,990 | $ - | $ - | $ - | $ 1,225 | $ - | $ - | $ - | $ - | $ 22,215 |
| b. Liabilities | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Liabilities | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

3. Transfers between levels are recognized at the end of the reporting period.

4. Fair value measurements are determined based upon quoted market prices for similar assets in active markets, quoted market prices for identical assets in inactive markets, inputs other than quoted market prices that are observable for the asset, such as interest rates or yield curves, or other inputs derived principally from or corroborated from other observable market information.

5. The Company does not hold any derivative assets or liabilities.

C. The fair value of all financial instruments and their carrying value are as follows:

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|---|
| Bonds | $ 29,346,482 | $ 29,346,482 | $ 1,113,373 | $ 28,233,109 | $ - | $ - | $ - |
| Common Stock | 8,069,607 | 8,069,607 | 8,032,755 | 14,637 | 22,215 | - | - |
| Perpetual Preferred Stock | 298,650 | 298,650 | 201,650 | 97,000 | - | - | - |
| | $ 37,714,739 | $ 37,714,739 | $ 9,347,778 | $ 28,344,746 | $ 22,215 | $ - | $ - |

D. The Company does not hold any financial instruments for which it is not practicable to estimate fair value.

E. The Company does not hold any investments at net asset value.

## 21 Other Items

A. The Company did not report any unusual or infrequent items in the current year.

B. The Company did not restructure any troubled debt in the current year.

C. At December 31, 2018, the Company had no admitted assets of amounts due from insureds.

D. The Company did not have any events giving rise to business interruption insurance recoveries.

E. The Company does not have any state transferable and non-transferable tax credits.

F. The Company did not have any exposure to subprime-mortgage-related risk in the current year.

G. The Company does not have any insurance-linked securities contracts.

## 22 Events Subsequent

Subsequent events have been considered through February 11, 2019. The Company's affiliate Goodville Mutual entered into an affiliation agreement and loss portfolio transfer and 100% quota share reinsurance agreement with Reamstown Mutual Insurance Company effective January 1, 2019. Reamstown Mutual is a Pennsylvania-domiciled property and casualty company writing business only in Pennsylvania. The intention is to operate Reamstown Mutual as a separate book of business but under common management.

The Company is not subject to any fees or assessments under the Federal Affordable Care Act (ACA).

## 23 Reinsurance

A. Unsecured Reinsurance Recoverables. The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company’s policyholder surplus.

B. Reinsurance Recoverable in Dispute. The Company does not have a reinsurance recoverable on paid or unpaid losses in dispute where the amount from any one reinsurer exceeds 5% of the Company’s policyholder surplus or where the aggregate amount of all disputed items exceeds 10% of the Company’s policyholder surplus at December 31, 2018.

# Notes to Financial Statements

C. Reinsurance Assumed and Ceded

1.

| | Assumed Reinsurance | | Ceded Reinsurance | | Net | |
|---|---|---|---|---|---|---|
| | (1) Premium Reserve | (2) Commission Equity | (3) Premium Reserve | (4) Commission Equity | (5) Premium Reserve | (6) Commission Equity |
| a. Affiliates | $ 9,912,860 | $ - | $ 64 | $ - | $ 9,912,796 | $ - |
| b. All other | 64 | - | - | - | 64 | - |
| c. Total | $ 9,912,924 | $ - | $ 64 | $ - | $ 9,912,860 | $ - |

d. Direct Unearned Premium Reserve $ -

2. The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

| | | Reinsurance | | |
|---|---|---|---|---|
| | (1) Direct | (2) Assumed | (3) Ceded | (4) Net |
| a. Contingent Commissions | $ - | $ (6,250) | $ - | $ (6,250) |
| b. Sliding Scale Adjustments | - | - | - | - |
| c. Other Profit Commission Arrangements | - | - | - | - |
| d. Total | $ - | $ (6,250) | $ - | $ (6,250) |

3. The Company does not have protected cells.

D. Uncollectible Reinsurance

The Company did not write-off any reinsurance balances during the current year.

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the company listed below, amounts that are reflected as:

| | |
|---|---|
| (1) Losses incurred | $ 15,000 |
| (2) Loss adjustment expenses incurred | $ - |
| (3) Premiums earned | $ - |
| (4) Other | $ - |
| (5) Company | |
| Dorinco Reinsurance Company | $ 15,000 |

F. Retroactive Reinsurance

The Company did not enter into any retroactive reinsurance arrangements during the current year.

G. Reinsurance Accounted for as a Deposit

The Company does not have any reinsurance accounted for as a deposit.

H. Property and Casualty Run-Off Agreements

The Company does not have any agreements which have been approved for Run-Off Accounting Treatment.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation - None

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

The Company does not have any retroactive reinsurance agreements covering asbestos and pollution liabilities that qualify for aggregation in accordance with SSAP No. 67R.

**24 Retrospectively Rated Contracts & Contracts Subject to Redetermination**

The Company does not write any contracts with retroactive rated contract terms nor has it written any accident and health insurance premium that is subject to the ACA risk-sharing provisions.

# Notes to Financial Statements

## 25 Incurred Losses and Loss Adjustment Expenses

A. Loss and loss adjusting reserves as of December 31, 2017 were $7,515,291. As of December 31, 2018, $4,292,250 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $4,104,336 as a result of re-estimation of unpaid claims and claims adjustment expenses and settlement of prior year claims. Therefore, there has been $881,296 unfavorable prior year development since December 31, 2017 to December 31, 2018. The unfavorable development is the result of changes in original estimates as additional information becomes known on individual claims, IBNR reserve changes, and settlement of individual claims at amounts that deviate from reserves. The activity and balances reflect the pooling arrangement.

B. The Company did not make any significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses in the current year.

## 26 Intercompany Pooling Arrangements

A. The Company participates in an intercompany pooling arrangement with Goodville Mutual Casualty Company (NAIC: 14044). The Company receives a 15% share of the total pool while Goodville Mutual retains 85% of the 100% pooling arrangement.

B. The pooling arrangement provides for the cession of activity from all lines of insurance written, including premium, losses and loss adjustment expenses from the Company to Goodville Mutual. The Company and Goodville Mutual also share expenses related to their joint operations. These expenses are allocated in the same proportion as the reinsurance activity.

C. All business ceded to non-affiliated reinsurers is recorded prior to the cession of pooled business and is included in the intercompany pooling arrangement.

D. The Company and Goodville Mutual maintain joint reinsurance agreements with non-affiliated reinsurers for all agreements except equipment breakdown reinsurance contracts which are held separately.

E. There were no discrepancies between the reinsurance schedules of the Company and Goodville Mutual.

F. The Company did not record a provision for reinsurance or write off uncollectible reinsurance in the current year.

G. Amounts Receivable (Payable) from (to) Goodville Mutual under this arrangement at December 31, 2018 are as follows:

| | |
|---|---|
| Reinsurance recoverable on loss and loss adjustment expenses | $ 8,502 |
| Premiums in course of collection | 5,814,053 |
| Receivable from affiliate for expenses | 102,289 |
| Ceded reinsurance premiums payable | 1,089 |
| Reinsurance payable on loss and loss adjustment expenses | (2,990,611) |
| Payable to affiliate for expenses | (1,917,218) |
| Net Receivable (Payable) | $ 1,018,104 |

## 27 Structured Settlements

The Company has not purchased annuities to fund future claims payments.

## 28 Health Care Receivables

The Company does not have health care receivables.

## 29 Participating Policies

The Company does not write accident and health insurance.

## 30 Premium Deficiency Reserves

At December 31, 2018, the Company did not have any liabilities related to premium deficiency reserves. The Company considers anticipated investment income when testing for a premium deficiency.

## 31 High Deductibles

The Company does not issue high deductible policies.

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

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

# Notes to Financial Statements

**33 Asbestos/Environmental Reserves**

The Company does not have exposure to asbestos or environmental claims.

**34 Subscriber Savings Accounts**

The Company is not a reciprocal insurance company and accordingly, has no subscriber savings accounts.

**35 Multiple Peril Crop Insurance**

The Company does not write multiple peril crop insurance.

**36 Financial Guaranty Insurance**

The Company does not write financial guaranty insurance.

# 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[X] 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[X] 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[X]
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[X]
2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016
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. 12/31/2016
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). 05/25/2018
3.4 By what department or departments?
Ohio Department 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[X]
3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] 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[X]
4.12 renewals? Yes[ ] No[X]
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[X]
4.22 renewals? Yes[ ] No[X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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[X]
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[X]
7.2 If yes,
7.21 State the percentage of foreign control 0.000%
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<br>Nationality | 2<br>Type of Entity |
|---|---|
| | |

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<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---|---|---|---|---|---|
| | | No | No | No | No |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Brown Schultz Sheridan Fritz, P.O. Box 67865, Harrisburg, PA 17106-7865

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 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 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?
Robert Van Epps, Financial Risk Analysts, 706 Northeast Drive, Suite 4, Davidson, NC 28036

# GENERAL INTERROGATORIES (Continued)

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 ........ 0
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[ ] N/A[X]
13.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]

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? Yes[X] No[ ]
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
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).

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<br>American Bankers Association (ABA) Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger the Letter of Credit | 4<br>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 $........ 0
20.12 To stockholders not officers $........ 0
20.13 Trustees, supreme or grand (Fraternal only) $........ 0
20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers $........ 0
20.22 To stockholders not officers $........ 0
20.23 Trustees, supreme or grand (Fraternal only) $........ 0

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 $........ 0
21.22 Borrowed from others $........ 0
21.23 Leased from others $........ 0
21.24 Other $........ 0

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 $........ 0
22.22 Amount paid as expenses $........ 0
22.23 Other amounts paid $........ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $........ 0

## 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
The Company has a custodial agreement with Wells Fargo Bank, N.A., which is a qualified bank or trust company in accordance with the requirements of the NAIC Financial Conditions Examiners Handbook.
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[ ] N/A[X]
24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $........ 0
24.06 If answer to 24.04 is no, report amount of collateral for other programs. $........ 0
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[ ] N/A[X]
24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]

# GENERAL INTERROGATORIES (Continued)

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[ ] N/A[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 |

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[ ] No[X]

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

| | | |
|---|---|---|
| 25.21 | Subject to repurchase agreements | $ 0 |
| 25.22 | Subject to reverse repurchase agreements | $ 0 |
| 25.23 | Subject to dollar repurchase agreements | $ 0 |
| 25.24 | Subject to reverse dollar repurchase agreements | $ 0 |
| 25.25 | Placed under option agreements | $ 0 |
| 25.26 | Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | $ 0 |
| 25.27 | FHLB Capital Stock | $ 0 |
| 25.28 | On deposit with states | $ 0 |
| 25.29 | On deposit with other regulatory bodies | $ 0 |
| 25.30 | Pledged as collateral - excluding collateral pledged to an FHLB | $ 0 |
| 25.31 | Pledged as collateral to FHLB - including assets backing funding agreements | $ 0 |
| 25.32 | Other | $ 0 |

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>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. $ 0

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 I, 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<br>Name of Custodian(s) | 2<br>Custodian's Address |
|---|---|
| Wells Fargo Bank, N.A. | 420 Montgomery Street, San Francisco, CA 44104 |

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<br>Name(s) | 2<br>Location(s) | 3<br>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[ ] No[X]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|---|---|---|---|
| | | | |

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<br>Name of Firm or Individual | 2<br>Affiliation |
|---|---|
| James M Harder | I |
| David C Gautsche | I |
| Allon H Lefever | I |
| Philip W Shirk | I |
| Chicago Equity Partners, LLC | U |
| Asset Allocation and Management Company, LLC | U |
| The Concord Advisory Group LTD | U |
| Zazove Associates LLC | U |

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[X] No[ ]

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[X] No[ ]

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.

# GENERAL INTERROGATORIES (Continued)

| 1<br>Central Registration Depository Number | 2<br>Name of Firm or Individual | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment Management Agreement (IMA) Filed |
|---|---|---|---|---|
| 109421 | Chicago Equity Partners, LLC | | SEC | NO |
| 109875 | Asset Allocation and Management Company, LLC | | SEC | NO |
| 107291 | The Concord Advisory Group LTD | | SEC | NO |
| 104751 | Zazove Associates LLC | | SEC | 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[X] No[ ]

29.2 If yes, complete the following schedule:

| 1<br>CUSIP # | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted Carrying Value |
|---|---|---|
| 74316J110 | BOSTON COMMON INTERNATIONAL FUND | 1,095,133 |
| 233203363 | DFA EMERG MKTS SOCIAL CORE #5329 | 225,963 |
| 25239Y626 | DFA INTL SOCIAL CORE EQUITY #5712 | 871,098 |
| 29.2999 Total | | 2,192,194 |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the Mutual Fund | 3<br>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 4<br>Date of Valuation |
|---|---|---|---|
| BOSTON COMMON INTERNATIONAL FUND | ROCHE HOLDING AG | 42,710 | 12/31/2018 |
| BOSTON COMMON INTERNATIONAL FUND | NOVARTIS | 37,235 | 12/31/2018 |
| BOSTON COMMON INTERNATIONAL FUND | ING GROEP NV | 33,949 | 12/31/2018 |
| BOSTON COMMON INTERNATIONAL FUND | FERGUSON PLC | 32,854 | 12/31/2018 |
| BOSTON COMMON INTERNATIONAL FUND | UNILEVER NV | 32,854 | 12/31/2018 |
| DFA EMERG MKTS SOCIAL CORE #5329 | SAMSUNG ELECTRONICS CO LTD | 8,541 | 12/31/2018 |
| DFA EMERG MKTS SOCIAL CORE #5329 | TAIWAN SEMICONDUCTOR | 6,756 | 12/31/2018 |
| DFA EMERG MKTS SOCIAL CORE #5329 | TENCENT HOLDINGS LTD | 4,542 | 12/31/2018 |
| DFA EMERG MKTS SOCIAL CORE #5329 | VALE SA | 2,666 | 12/31/2018 |
| DFA EMERG MKTS SOCIAL CORE #5329 | PETROLEO BRASILEIRO SA | 2,576 | 12/31/2018 |
| DFA INTL SOCIAL CORE EQUITY #5712 | ROYAL DUTCH SHELL PLC | 8,101 | 12/31/2018 |
| DFA INTL SOCIAL CORE EQUITY #5712 | BP PLC | 7,840 | 12/31/2018 |
| DFA INTL SOCIAL CORE EQUITY #5712 | TOTAL SA | 6,882 | 12/31/2018 |
| DFA INTL SOCIAL CORE EQUITY #5712 | HSBC HOLDINGS PLC | 6,707 | 12/31/2018 |
| DFA INTL SOCIAL CORE EQUITY #5712 | DEUTSCHE TELEKOM AG | 4,530 | 12/31/2018 |

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<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|---|---|---|---|---|
| 30.1 | Bonds | 29,858,504 | 29,346,482 | (512,022) |
| 30.2 | Preferred stocks | 298,650 | 298,650 | |
| 30.3 | Totals | 30,157,154 | 29,645,132 | (512,022) |

30.4 Describe the sources or methods utilized in determining the fair values:
NAIC Valuation of Securities Guide

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[ ] N/A[ ]

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:

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for 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[X]

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 an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

# GENERAL INTERROGATORIES (Continued)

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[X]

## OTHER

35.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $ 104,691

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<br>Name | 2<br>Amount Paid |
|---|---|
| Insurance Services Office Inc. | 39,668 |

36.1 Amount of payments for legal expenses, if any? $ 9,329

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

| 1<br>Name | 2<br>Amount Paid |
|---|---|
| Stradley Ronon Stevens & Young, LLP | 8,694 |

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? $ 0

37.2 List the name of 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<br>Name | 2<br>Amount Paid |
|---|---|
| | |

# GENERAL INTERROGATORIES (Continued)

## 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? $ 0
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. $ 0
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<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| 2.1 | Premium Numerator | | |
| 2.2 | Premium Denominator | 22,734,749 | 21,505,983 |
| 2.3 | Premium Ratio (2.1 / 2.2) | | |
| 2.4 | Reserve Numerator | | |
| 2.5 | Reserve Denominator | 21,166,113 | 19,927,433 |
| 2.6 | Reserve Ratio (2.4 / 2.5) | | |

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 $ 0
3.22 Non-participating policies $ 0

4. For Mutual reporting entities and Reciprocal Exchanges only:
4.1 Does the reporting entity issue assessable policies? Yes[ ] No[X] N/A[ ]
4.2 Does the reporting entity issue non-assessable policies? Yes[X] No[ ] N/A[ ]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0.000%
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $ 0

5. For Reciprocal Exchanges Only:
5.1 Does the exchange appoint local agents? Yes[ ] No[ ] N/A[X]
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation Yes[ ] No[ ] N/A[X]
5.22 As a direct expense of the exchange Yes[ ] No[ ] N/A[X]
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[ ] N/A[X]
5.5 If yes, give full information:

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:
No workers compensation contracts issued by company; however, the company assumes 15% of its affiliate's experience. Its affiliate, Goodville Mutual, maintains a quota share reinsurance agreement retaining only 5% of the experience.
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:
Catastrophe modeling software (AIR and RMS) used to estimate PML. PML includes residences, small commercial and auto exposures in OH (tornado/hail peril).
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:
Catastrophe reinsurance.
6.4 Does the reporting entity carry catastrophic 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? Yes[X] No[ ]
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 unreinsured 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)? Yes[ ] No[X]
7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0
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)? Yes[ ] No[ ] N/A[X]

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? Yes[ ] No[X]
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;

# GENERAL INTERROGATORIES (Continued)

(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. Yes[ ] No[X]

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. Yes[ ] No[X]

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? Yes[ ] No[X]

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 Yes[ ] No[X]
(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 Yes[ ] No[X]
(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. Yes[ ] No[X]

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[ ]

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 $ 0
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0
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. $ 0
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[ ] N/A[X]
12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From 0.000%
12.42 To 0.000%
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 $ 0
12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 450,000
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 company a cedant in a multiple cedant reinsurance contract? Yes[ ] No[X]
14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
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[ ] No[ ] N/A[X]
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[ ] N/A[X]
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<br>Direct<br>Losses Incurred | 2<br>Direct<br>Losses Unpaid | 3<br>Direct<br>Written Premium | 4<br>Direct<br>Premium Unearned | 5<br>Direct<br>Premium Earned |
|---|---|---|---|---|---|
| 16.11 Home | | | | | |
| 16.12 Products | | | | | |
| 16.13 Automobile | | | | | |
| 16.14 Other * | | | | | |

* Disclose type of coverage:

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[X]
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 $ 0
17.12 Unfunded portion of Interrogatory 17.11 $ 0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 $ 0
17.14 Case reserves portion of Interrogatory 17.11 $ 0
17.15 Incurred but not reported portion of Interrogatory 17.11 $ 0
17.16 Unearned premium portion of Interrogatory 17.11 $ 0

# GENERAL INTERROGATORIES (Continued)

| | |
|---|---|
| 17.17 Contingent commission portion of Interrogatory 17.11 | $ 0 |
| 18.1 Do you act as a custodian for health savings accounts? | Yes[ ] No[X] |
| 18.2 If yes, please provide the amount of custodial funds held as of the reporting date: | $ 0 |
| 18.3 Do you act as an administrator for health savings accounts? | Yes[ ] No[X] |
| 18.4 If yes, please provide the balance of the funds administered as of the reporting date: | $ 0 |
| 19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? | Yes[ ] No[X] |
| 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[X] No[ ] |

# FIVE - YEAR HISTORICAL DATA

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

| | | 1<br>2018 | 2<br>2017 | 3<br>2016 | 4<br>2015 | 5<br>2014 |
|---|---|---|---|---|---|---|
| | **Gross Premiums Written (Page 8, Part 1B, Columns 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) | 5,580,509 | 5,191,181 | 5,097,353 | 5,307,287 | 7,759,896 |
| 2. | Property Lines (Lines 1, 2, 9, 12, 21, & 26) | 5,497,130 | 5,103,436 | 4,943,405 | 5,244,365 | 8,169,760 |
| 3. | Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) | 12,369,080 | 11,845,702 | 17,400,978 | 18,330,758 | 24,760,437 |
| 4. | All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | | | | | |
| 5. | Nonproportional Reinsurance Lines (Lines 31, 32, & 33) | | | | | (23,434) |
| 6. | TOTAL (Line 35) | 23,446,719 | 22,140,319 | 27,441,736 | 28,882,410 | 40,666,659 |
| | **Net Premiums Written (Page 8, Part 1B, Column 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) | 5,577,498 | 5,145,754 | 4,787,439 | 4,575,536 | 4,342,785 |
| 8. | Property Lines (Lines 1, 2, 9, 12, 21 & 26) | 5,497,130 | 5,103,680 | 4,686,044 | 4,452,220 | 4,304,503 |
| 9. | Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) | 12,369,080 | 11,885,272 | 11,164,951 | 10,820,382 | 10,388,420 |
| 10. | All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | | | | | |
| 11. | Non-proportional Reinsurance Lines (Lines 31, 32 & 33) | | | | | (23,434) |
| 12. | TOTAL (Line 35) | 23,443,708 | 22,134,706 | 20,638,434 | 19,848,138 | 19,012,274 |
| | **Statement of Income (Page 4)** | | | | | |
| 13. | Net underwriting gain or (loss) (Line 8) | 1,400,953 | 644,187 | 2,548,912 | 2,328,830 | 1,308,740 |
| 14. | Net investment gain or (loss) (Line 11) | 1,086,915 | 852,222 | 333,648 | 209,367 | 591,844 |
| 15. | TOTAL other income (Line 15) | (21,368) | 54,296 | 24,054 | 32,069 | 73,659 |
| 16. | Dividends to policyholders (Line 17) | | | | | |
| 17. | Federal and foreign income taxes incurred (Line 19) | (140,639) | (136,764) | 50,481 | 40,241 | 31,802 |
| 18. | Net income (Line 20) | 2,607,139 | 1,687,469 | 2,856,133 | 2,530,025 | 1,942,441 |
| | **Balance Sheet Lines (Pages 2 and 3)** | | | | | |
| 19. | TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) | 46,384,316 | 45,032,979 | 40,725,966 | 37,784,804 | 35,993,867 |
| 20. | Premiums and considerations (Page 2, Column 3) | | | | | |
| | 20.1 In course of collection (Line 15.1) | 5,895,960 | 5,609,827 | 6,073,748 | 6,136,865 | 6,807,440 |
| | 20.2 Deferred and not yet due (Line 15.2) | | | | | |
| | 20.3 Accrued retrospective premiums (Line 15.3) | | | | | |
| 21. | TOTAL liabilities excluding protected cell business (Page 3, Line 26) | 26,735,521 | 26,288,511 | 23,958,752 | 23,288,100 | 24,317,427 |
| 22. | Losses (Page 3, Line 1) | 6,973,353 | 6,353,410 | 5,413,625 | 5,351,942 | 4,951,860 |
| 23. | Loss adjustment expenses (Page 3, Line 3) | 1,271,092 | 1,161,881 | 1,038,890 | 1,053,896 | 973,830 |
| 24. | Unearned premiums (Page 3, Line 9) | 9,912,860 | 9,203,901 | 8,575,178 | 8,264,175 | 7,950,260 |
| 25. | Capital paid up (Page 3, Lines 30 & 31) | | | | | |
| 26. | Surplus as regards policyholders (Page 3, Line 37) | 19,648,795 | 18,744,468 | 16,767,214 | 14,496,704 | 11,676,440 |
| | **Cash Flow (Page 5)** | | | | | |
| 27. | Net cash from operations (Line 11) | 3,650,429 | 2,673,757 | 4,278,416 | 3,892,337 | 2,074,091 |
| | **Risk-Based Capital Analysis** | | | | | |
| 28. | TOTAL adjusted capital | 19,648,795 | 18,744,468 | 16,767,214 | 14,496,704 | 11,676,440 |
| 29. | Authorized control level risk-based capital | 1,600,927 | 1,491,229 | 1,331,560 | 1,280,923 | 1,144,561 |
| | **Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0** | | | | | |
| 30. | Bonds (Line 1) | 74.9 | 68.4 | 60.2 | 61.4 | 42.5 |
| 31. | Stocks (Lines 2.1 & 2.2) | 21.0 | 22.7 | 23.3 | 23.2 | 22.0 |
| 32. | Mortgage loans on real estate (Lines 3.1 and 3.2) | | | | | |
| 33. | Real estate (Lines 4.1, 4.2 & 4.3) | 3.3 | 3.3 | 3.9 | 4.8 | 5.9 |
| 34. | Cash, cash equivalents and short-term investments (Line 5) | 0.9 | 5.6 | 12.6 | 10.7 | 29.6 |
| 35. | Contract loans (Line 6) | | | | | |
| 36. | Derivatives (Line 7) | | | | | |
| 37. | Other invested assets (Line 8) | | | | | |
| 38. | Receivables for securities (Line 9) | | | | | |
| 39. | Securities lending reinvested collateral assets (Line 10) | | | | | |
| 40. | Aggregate write-ins for invested assets (Line 11) | | | | | |
| 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, (Schedule D, Summary, Line 12, Column 1) | | | | | |
| 43. | Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1) | | | | | |
| 44. | Affiliated common stocks (Schedule D, Summary, Line 24, Column 1) | | | | | |
| 45. | Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10) | | | | | |
| 46. | Affiliated mortgage loans on real estate | | | | | |
| 47. | All other affiliated | | | | | |
| 48. | TOTAL of above Lines 42 to 47 | | | | | |
| 49. | TOTAL investment in parent included in Lines 42 to 47 above | | | | | |
| 50. | Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0) | | | | | |

# FIVE - YEAR HISTORICAL DATA (Continued)

| | | 1<br>2018 | 2<br>2017 | 3<br>2016 | 4<br>2015 | 5<br>2014 |
|---|---|---|---|---|---|---|
| **Capital and Surplus Accounts (Page 4)** | | | | | | |
| 51. | Net unrealized capital gains or (Losses) (Line 24) | (1,134,124) | 862,673 | 267,820 | 10,882 | (234,697) |
| 52. | Dividends to stockholders (Line 35) | | | | | |
| 53. | Change in surplus as regards policyholders for the year (Line 38) | 904,327 | 1,977,254 | 2,270,510 | 2,820,264 | 2,099,290 |
| **Gross Losses Paid (Page 9, Part 2, Columns 1 and 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) | 3,409,414 | 3,037,695 | 3,606,106 | 3,609,779 | 6,588,041 |
| 55. | Property lines (Lines 1, 2, 9, 12, 21 & 26) | 3,208,871 | 2,948,608 | 2,607,912 | 2,872,943 | 5,008,396 |
| 56. | Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) | 6,476,173 | 7,190,403 | 7,409,213 | 9,849,824 | 14,152,774 |
| 57. | All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | | | | | |
| 58. | Nonproportional reinsurance lines (Lines 31, 32 & 33) | | | | 360 | 23,390 |
| 59. | TOTAL (Line 35) | 13,094,458 | 13,176,706 | 13,623,231 | 16,332,906 | 25,772,601 |
| **Net Losses Paid (Page 9, Part 2, Column 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) | 3,217,565 | 2,828,074 | 2,719,314 | 2,455,834 | 2,792,336 |
| 61. | Property lines (Lines 1, 2, 9, 12, 21 & 26) | 3,214,554 | 2,890,650 | 2,534,050 | 2,548,787 | 2,641,876 |
| 62. | Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) | 5,960,602 | 6,396,090 | 5,356,095 | 4,785,055 | 5,391,368 |
| 63. | All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34) | | | | | |
| 64. | Nonproportional reinsurance lines (Lines 31, 32 & 33) | | | | 360 | 23,390 |
| 65. | TOTAL (Line 35) | 12,392,721 | 12,114,814 | 10,609,459 | 9,790,036 | 10,848,970 |
| **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) | 57.2 | 60.7 | 52.5 | 52.2 | 57.8 |
| 68. | Loss expenses incurred (Line 3) | 7.7 | 7.8 | 6.9 | 7.4 | 6.9 |
| 69. | Other underwriting expenses incurred (Line 4) | 28.9 | 28.5 | 28.1 | 28.5 | 28.3 |
| 70. | Net underwriting gain (loss) (Line 8) | 6.2 | 3.0 | 12.5 | 11.9 | 7.0 |
| **Other Percentages** | | | | | | |
| 71. | Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0) | 28.1 | 27.4 | 27.6 | 27.9 | 27.4 |
| 72. | Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) | 64.9 | 68.5 | 59.4 | 59.5 | 64.7 |
| 73. | Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0) | 119.3 | 118.1 | 123.1 | 136.9 | 162.8 |
| **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, Column 11) | 871 | (284) | (301) | 179 | 112 |
| 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, Column 1 x 100.0) | 4.6 | (1.7) | (2.1) | 1.5 | 1.2 |
| **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, Column 12) | (130) | (453) | 93 | 104 | 15 |
| 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, Column 2 x 100.0) | (0.8) | (3.1) | 0.8 | 1.1 | 0.2 |

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[ ] N/A[X]

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 | 2 | 3 | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | 10 | 11 | Number of Claims Reported - Direct and Assumed |
| | Direct and Assumed | Ceded | Net (Columns 1 - 2) | 4 Direct and Assumed | 5 Ceded | 6 Direct and Assumed | 7 Ceded | 8 Direct and Assumed | 9 Ceded | Salvage and Subrogation Received | Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9) | |
| 1. Prior | XXX | XXX | XXX | (2) | | 2 | | | | | | XXX |
| 2. 2009 | 13,481 | 1,088 | 12,393 | 7,611 | 621 | 167 | 4 | 698 | 2 | 246 | 7,849 | XXX |
| 3. 2010 | 14,241 | 1,093 | 13,148 | 8,068 | 564 | 134 | | 738 | | 282 | 8,376 | XXX |
| 4. 2011 | 16,101 | 2,057 | 14,044 | 11,297 | 1,810 | 279 | 2 | 941 | 1 | 346 | 10,704 | XXX |
| 5. 2012 | 17,085 | 2,747 | 14,338 | 12,457 | 3,941 | 235 | 18 | 1,067 | 148 | 390 | 9,652 | XXX |
| 6. 2013 | 18,398 | 1,925 | 16,473 | 11,322 | 1,067 | 311 | 17 | 983 | 10 | 403 | 11,522 | XXX |
| 7. 2014 | 19,782 | 1,118 | 18,664 | 11,221 | 571 | 332 | | 1,027 | 5 | 602 | 12,004 | XXX |
| 8. 2015 | 20,605 | 1,072 | 19,533 | 9,775 | 370 | 246 | | 1,007 | 3 | 503 | 10,655 | XXX |
| 9. 2016 | 21,418 | 1,089 | 20,329 | 11,431 | 977 | 190 | 4 | 1,056 | 2 | 493 | 11,694 | XXX |
| 10. 2017 | 22,633 | 1,128 | 21,505 | 12,879 | 496 | 181 | | 1,234 | | 517 | 13,798 | XXX |
| 11. 2018 | 24,547 | 1,812 | 22,735 | 8,894 | 242 | 114 | 3 | 986 | 10 | 357 | 9,739 | XXX |
| 12. Totals | XXX | XXX | XXX | 104,953 | 10,659 | 2,191 | 48 | 9,737 | 181 | 4,139 | 105,993 | XXX |

| | Losses Unpaid | | | | Defense and Cost Containment Unpaid | | | | Adjusting and Other Unpaid | | 23 | 24 | 25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Case Basis | | Bulk + IBNR | | Case Basis | | Bulk + IBNR | | | | | | |
| | 13 Direct and Assumed | 14 Ceded | 15 Direct and Assumed | 16 Ceded | 17 Direct and Assumed | 18 Ceded | 19 Direct and Assumed | 20 Ceded | 21 Direct and Assumed | 22 Ceded | Salvage and Subrogation Anticipated | Total Net Losses and Expenses Unpaid | Number of Claims Outstanding Direct and Assumed |
| 1. Prior | 13 | | 4 | 1 | | | 2 | | 1 | | | 19 | XXX |
| 2. 2009 | | | | | | | | | | | | | XXX |
| 3. 2010 | 1 | | 2 | 1 | | | | | | | | 2 | XXX |
| 4. 2011 | 38 | | 14 | 6 | | | 4 | | 5 | | 1 | 55 | XXX |
| 5. 2012 | 159 | 49 | 49 | 9 | | | 12 | | 15 | | | 177 | XXX |
| 6. 2013 | 69 | | 25 | 8 | | | 7 | | 9 | | 2 | 102 | XXX |
| 7. 2014 | 234 | | 53 | 13 | | | 22 | | 28 | | 19 | 324 | XXX |
| 8. 2015 | 446 | 26 | 136 | 40 | | | 41 | | 53 | | 34 | 610 | XXX |
| 9. 2016 | 635 | 167 | 151 | 59 | | | 47 | | 57 | | 49 | 664 | XXX |
| 10. 2017 | 1,603 | 117 | 447 | 116 | | | 145 | | 186 | | 156 | 2,148 | XXX |
| 11. 2018 | 3,029 | 114 | 778 | 194 | | | 280 | | 357 | | 537 | 4,136 | XXX |
| 12. Totals | 6,227 | 473 | 1,659 | 447 | | | 560 | | 711 | | 798 | 8,237 | XXX |

| | Total Losses and Loss Expenses Incurred | | | Loss and Loss Expense Percentage (Incurred/Premiums Earned) | | | Nontabular Discount | | 34 | Net Balance Sheet Reserves After Discount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 26 Direct and Assumed | 27 Ceded | 28 Net | 29 Direct and Assumed | 30 Ceded | 31 Net | 32 Loss | 33 Loss Expense | Inter-Company Pooling Participation Percentage | 35 Losses Unpaid | 36 Loss Expenses Unpaid |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | 16 | 3 |
| 2. 2009 | 8,476 | 627 | 7,849 | 62.9 | 57.6 | 63.3 | | | | | |
| 3. 2010 | 8,943 | 565 | 8,378 | 62.8 | 51.7 | 63.7 | | | | 2 | |
| 4. 2011 | 12,578 | 1,819 | 10,759 | 78.1 | 88.4 | 76.6 | | | | 46 | 9 |
| 5. 2012 | 13,994 | 4,165 | 9,829 | 81.9 | 151.6 | 68.6 | | | | 150 | 27 |
| 6. 2013 | 12,726 | 1,102 | 11,624 | 69.2 | 57.2 | 70.6 | | | | 86 | 16 |
| 7. 2014 | 12,917 | 589 | 12,328 | 65.3 | 52.7 | 66.1 | | | | 274 | 50 |
| 8. 2015 | 11,704 | 439 | 11,265 | 56.8 | 41.0 | 57.7 | | | | 516 | 94 |
| 9. 2016 | 13,567 | 1,209 | 12,358 | 63.3 | 111.0 | 60.8 | | | | 560 | 104 |
| 10. 2017 | 16,675 | 729 | 15,946 | 73.7 | 64.6 | 74.2 | | | | 1,817 | 331 |
| 11. 2018 | 14,438 | 563 | 13,875 | 58.8 | 31.1 | 61.0 | | | | 3,499 | 637 |
| 12. Totals | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | 6,966 | 1,271 |

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<br>2009 | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 | 11<br>One Year | 12<br>Two Year |
| 1. Prior | (19,227) | (19,304) | (19,372) | (19,325) | (19,393) | (19,389) | (19,396) | (19,397) | (19,388) | (19,397) | (9) | |
| 2. 2009 | 7,467 | 7,250 | 7,200 | 7,224 | 7,195 | 7,148 | 7,148 | 7,152 | 7,153 | 7,153 | | 1 |
| 3. 2010 | XXX | 7,849 | 7,792 | 7,852 | 7,775 | 7,754 | 7,720 | 7,653 | 7,645 | 7,640 | (5) | (13) |
| 4. 2011 | XXX | XXX | 9,724 | 9,730 | 9,844 | 9,903 | 9,869 | 9,878 | 9,815 | 9,814 | (1) | (64) |
| 5. 2012 | XXX | XXX | XXX | 8,917 | 9,024 | 8,996 | 8,889 | 8,884 | 8,886 | 8,895 | 9 | 11 |
| 6. 2013 | XXX | XXX | XXX | XXX | 10,537 | 10,683 | 10,857 | 10,697 | 10,687 | 10,642 | (45) | (55) |
| 7. 2014 | XXX | XXX | XXX | XXX | XXX | 10,956 | 11,144 | 11,282 | 11,209 | 11,278 | 69 | (4) |
| 8. 2015 | XXX | XXX | XXX | XXX | XXX | XXX | 10,368 | 10,153 | 10,142 | 10,208 | 66 | 55 |
| 9. 2016 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 11,308 | 11,176 | 11,247 | 71 | (61) |
| 10. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 13,810 | 14,526 | 716 | XXX |
| 11. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 12,542 | XXX | XXX |
| 12. TOTALS | | | | | | | | | | | 871 | (130) |

# 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<br>2009 | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
| 1. Prior | 000 | 1,459 | (19,839) | (19,531) | (19,507) | (19,446) | (19,423) | (19,424) | (19,415) | (19,415) | XXX | XXX |
| 2. 2009 | 9,228 | 10,816 | 6,714 | 6,963 | 7,062 | 7,116 | 7,133 | 7,112 | 7,152 | 7,153 | XXX | XXX |
| 3. 2010 | XXX | 11,239 | 7,011 | 7,441 | 7,598 | 7,615 | 7,631 | 7,619 | 7,639 | 7,638 | XXX | XXX |
| 4. 2011 | XXX | XXX | 7,438 | 8,839 | 9,206 | 9,458 | 9,599 | 9,677 | 9,754 | 9,764 | XXX | XXX |
| 5. 2012 | XXX | XXX | XXX | 6,240 | 7,882 | 8,417 | 8,567 | 8,722 | 8,714 | 8,733 | XXX | XXX |
| 6. 2013 | XXX | XXX | XXX | XXX | 7,389 | 9,337 | 9,871 | 10,154 | 10,460 | 10,549 | XXX | XXX |
| 7. 2014 | XXX | XXX | XXX | XXX | XXX | 8,201 | 9,968 | 10,683 | 10,856 | 10,982 | XXX | XXX |
| 8. 2015 | XXX | XXX | XXX | XXX | XXX | XXX | 7,461 | 9,321 | 9,461 | 9,651 | XXX | XXX |
| 9. 2016 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 8,282 | 9,962 | 10,640 | XXX | XXX |
| 10. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 9,673 | 12,564 | XXX | XXX |
| 11. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 8,763 | 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<br>2009 | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |
| 1. Prior | 418 | 153 | 80 | 13 | 20 | 13 | 5 | 7 | 8 | 5 |
| 2. 2009 | 1,014 | 192 | 44 | 11 | 28 | 8 | 4 | | 1 | |
| 3. 2010 | XXX | 1,021 | 260 | 58 | 44 | 36 | 24 | 6 | 3 | 1 |
| 4. 2011 | XXX | XXX | 1,147 | 337 | 133 | 105 | 65 | 48 | 15 | 12 |
| 5. 2012 | XXX | XXX | XXX | 910 | 244 | 139 | 83 | 63 | 53 | 52 |
| 6. 2013 | XXX | XXX | XXX | XXX | 589 | 329 | 253 | 138 | 50 | 24 |
| 7. 2014 | XXX | XXX | XXX | XXX | XXX | 577 | 283 | 199 | 82 | 62 |
| 8. 2015 | XXX | XXX | XXX | XXX | XXX | XXX | 631 | 287 | 155 | 137 |
| 9. 2016 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 683 | 273 | 139 |
| 10. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 948 | 476 |
| 11. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 864 |

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

## ALLOCATED BY STATES AND TERRITORIES

| | 1 | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken | | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|
| States, Etc. | Active Status (a) | 2<br>Direct Premiums Written | 3<br>Direct Premiums Earned | Dividends Paid or Credited to Policyholders on Direct Business | Direct Losses Paid (Deducting Salvage) | Direct Losses Incurred | Direct Losses Unpaid | Finance and Service Charges Not Included in Premiums | Direct Premium Written for Federal Purchasing Groups (Included in Column 2) |
| 1. Alabama (AL) | N | | | | | | | | |
| 2. Alaska (AK) | N | | | | | | | | |
| 3. Arizona (AZ) | N | | | | | | | | |
| 4. Arkansas (AR) | N | | | | | | | | |
| 5. California (CA) | N | | | | | | | | |
| 6. Colorado (CO) | N | | | | | | | | |
| 7. Connecticut (CT) | N | | | | | | | | |
| 8. Delaware (DE) | N | | | | | | | | |
| 9. District of Columbia (DC) | N | | | | | | | | |
| 10. Florida (FL) | N | | | | | | | | |
| 11. Georgia (GA) | N | | | | | | | | |
| 12. Hawaii (HI) | N | | | | | | | | |
| 13. Idaho (ID) | N | | | | | | | | |
| 14. Illinois (IL) | N | | | | | | | | |
| 15. Indiana (IN) | N | | | | | | | | |
| 16. Iowa (IA) | N | | | | | | | | |
| 17. Kansas (KS) | N | | | | | | | | |
| 18. Kentucky (KY) | N | | | | | | | | |
| 19. Louisiana (LA) | N | | | | | | | | |
| 20. Maine (ME) | N | | | | | | | | |
| 21. Maryland (MD) | N | | | | | | | | |
| 22. Massachusetts (MA) | N | | | | | | | | |
| 23. Michigan (MI) | N | | | | | | | | |
| 24. Minnesota (MN) | N | | | | | | | | |
| 25. Mississippi (MS) | N | | | | | | | | |
| 26. Missouri (MO) | N | | | | | | | | |
| 27. Montana (MT) | N | | | | | | | | |
| 28. Nebraska (NE) | N | | | | | | | | |
| 29. Nevada (NV) | N | | | | | | | | |
| 30. New Hampshire (NH) | N | | | | | | | | |
| 31. New Jersey (NJ) | N | | | | | | | | |
| 32. New Mexico (NM) | N | | | | | | | | |
| 33. New York (NY) | N | | | | | | | | |
| 34. North Carolina (NC) | N | | | | | | | | |
| 35. North Dakota (ND) | N | | | | | | | | |
| 36. Ohio (OH) | L | | | | 687,961 | (372,956) | 53,329 | | |
| 37. Oklahoma (OK) | N | | | | | | | | |
| 38. Oregon (OR) | N | | | | | | | | |
| 39. Pennsylvania (PA) | N | | | | | | | | |
| 40. Rhode Island (RI) | N | | | | | | | | |
| 41. South Carolina (SC) | N | | | | | | | | |
| 42. South Dakota (SD) | N | | | | | | | | |
| 43. Tennessee (TN) | N | | | | | | | | |
| 44. Texas (TX) | N | | | | | | | | |
| 45. Utah (UT) | N | | | | | | | | |
| 46. Vermont (VT) | N | | | | | | | | |
| 47. Virginia (VA) | N | | | | | | | | |
| 48. Washington (WA) | N | | | | | | | | |
| 49. West Virginia (WV) | N | | | | | | | | |
| 50. Wisconsin (WI) | N | | | | | | | | |
| 51. Wyoming (WY) | N | | | | | | | | |
| 52. American Samoa (AS) | N | | | | | | | | |
| 53. Guam (GU) | N | | | | | | | | |
| 54. Puerto Rico (PR) | N | | | | | | | | |
| 55. U.S. Virgin Islands (VI) | N | | | | | | | | |
| 56. Northern Mariana Islands (MP) | N | | | | | | | | |
| 57. Canada (CAN) | N | | | | | | | | |
| 58. Aggregate other alien (OT) | XXX | | | | | | | | |
| 59. TOTALS | XXX | | | | 687,961 | (372,956) | 53,329 | | |
| **DETAILS OF WRITE-INS** | | | | | | | | | |
| 58001. | XXX | | | | | | | | |
| 58002. | XXX | | | | | | | | |
| 58003. | XXX | | | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX | | | | | | | | |
| 58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | XXX | | | | | | | | |

(a) Active Status Counts:

| | | | | | |
|---|---|---|---|---|---|
| L | Licensed or Chartered - Licensed insurance carrier or domiciled RRG | 1 | R | Registered - Non-domiciled RRGs | |
| E | Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile See DSLI) | | Q | Qualified - Qualified or accredited reinsurer | |
| D | Domestic Surplus Lines Insurer (DSLI) Reporting entities authorized to write surplus lines in the state of domicile. | | N | None of the above Not allowed to write business in the state | 56 |

Explanation of basis of allocation of premiums by states, etc.: Actual premiums are allocated to the states based on the location of the risk. German Mutual only writes business located in Ohio.

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
## MEMBERS OF A HOLDING COMPANY GROUP
## PART 1 - ORGANIZATIONAL CHART

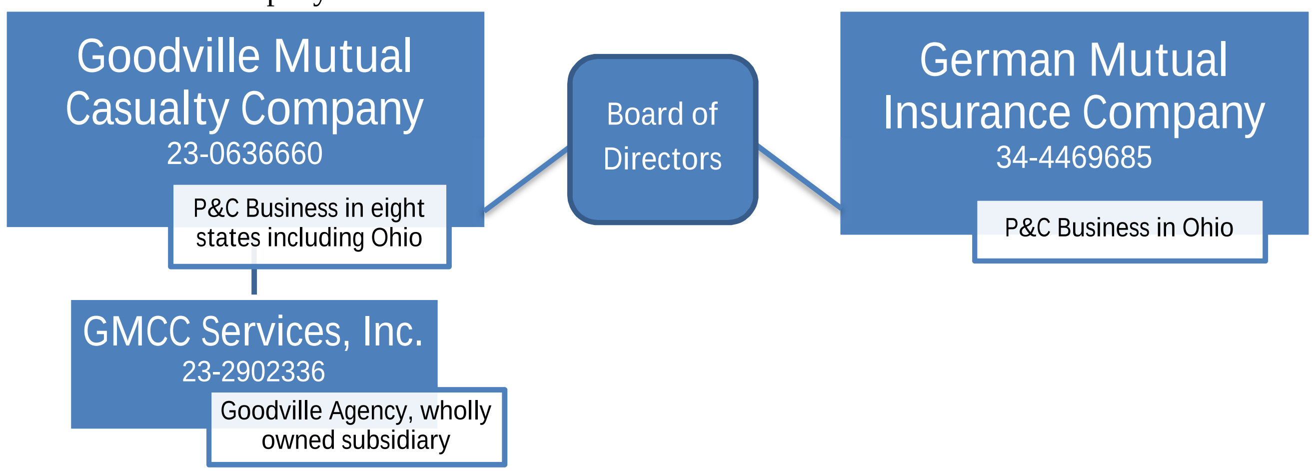
Goodville Mutual Casualty Company affiliated with German Mutual Insurance Company on July 1, 2013 and the two companies currently operate under common management and boards of directors.

GMCC Services Inc. is a currently inactive wholly owned subsidiary of Goodville Mutual Casualty Company.

The reporting company is a Mutual Company with no single person(s) (that includes natural person) deemed to be an ultimate controlling person.

ORGANIZATIONAL LISTING:

1. NAIC Group Code – 4787
2. Group Name – Goodville and German Mutual Group
3. NAIC Company Code – 17884
4. State of Domicile – Ohio
5. FEI Number – 34-4469685
6. Name of Company – German Mutual Insurance Company
7. Organizational Chart:



# INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

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