



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2019
OF THE CONDITION AND AFFAIRS OF THE

WESTERN RESERVE MUTUAL CASUALTY COMPANY

NAIC Group Code	00207	00207	NAIC Company Code	26131	Employer's ID Number	34-0613930
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	06/29/1937		Commenced Business	07/30/1937		
Statutory Home Office	1685 Cleveland Road		Wooster, OH, US 44691-0036			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	1685 Cleveland Road		Wooster, OH, US 44691-0036		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	1685 Cleveland Road		Wooster, OH, US 44691-0036			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1685 Cleveland Road		Wooster, OH, US 44691-0036		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Christopher M. Racz, CPA		330-262-9060-2446			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	Christopher_Racz@wrg-ins.com		800-563-9896			
	(E-Mail Address)		(Fax Number)			

OFFICERS

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

OTHER OFFICERS

GREGORY A. BRUNN	VICE PRESIDENT INSURANCE OPERATIONS-COO	WILLIAM J. GALONSKI	VICE PRESIDENT-CHIEF CLAIMS OFFICER
LEO S. GENDERS	VICE PRESIDENT-CHIEF INFORMATION OFFICER		

DIRECTORS OR TRUSTEES

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

State ofOhio.....

County ofWayne.....ss

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

KEVIN W. DAY PRESIDENT AND SECRETARY -CHIEF EXECUTIVE OFFICER	MICHAEL A. SHUTT VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER
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a. Is this an original filing? Yes [X] No []

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

Subscribed and sworn to before me this 14 day of August, 2019

Michele Young, Notary Public
August 16, 2019

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	114,837,108	0	114,837,108	112,517,295
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	54,679,259	376,182	54,303,077	49,333,533
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	8,883,113	0	8,883,113	9,168,590
4.2 Properties held for the production of income (less \$ encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ encumbrances)	0	0	0	0
5. Cash (\$(23,953,167)), cash equivalents (\$2,894,474) and short-term investments (\$0)	(21,058,693)	0	(21,058,693)	(17,504,315)
6. Contract loans (including \$premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	15,059,801	1,249,729	13,810,072	13,132,423
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	172,400,588	1,625,911	170,774,677	166,647,526
13. Title plants less \$charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,115,098	0	1,115,098	1,178,721
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	17,718,262	164,342	17,553,920	17,385,812
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums)	9,516,247	0	9,516,247	7,797,290
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	49,480	0	49,480	191,243
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	390,212	0	390,212	383,310
18.2 Net deferred tax asset	3,763,230	0	3,763,230	4,445,415
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	29,800,474	27,760,333	2,040,141	2,177,242
21. Furniture and equipment, including health care delivery assets (\$)	921,514	921,514	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	17,450	0	17,450	37,314
24. Health care (\$) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other-than-invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	235,692,554	30,472,099	205,220,455	200,243,873
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	235,692,554	30,472,099	205,220,455	200,243,873
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expense	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$14,308,799)	32,853,447	30,598,483
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	6,049,462	6,049,461
4. Commissions payable, contingent commissions and other similar charges	2,146,119	3,059,299
5. Other expenses (excluding taxes, licenses and fees)	2,087,842	3,654,979
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	563,677	1,009,529
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	41,869,554	40,788,926
10. Advance premium	661,332	602,874
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(229,783)	268,699
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	1,030,343	824,740
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	861,468
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	87,031,992	87,718,458
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	87,031,992	87,718,458
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	118,188,464	112,525,414
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	118,188,464	112,525,414
38. Totals (Page 2, Line 28, Col. 3)	205,220,455	200,243,873
DETAILS OF WRITE-INS		
2501. Other Liabilities.....	0	861,468
2502.	0	0
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	861,468
2901.		0
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 50,660,789)	49,773,142	49,079,642	98,752,101
1.2 Assumed (written \$ 44,747,630)	43,667,002	42,822,245	86,235,181
1.3 Ceded (written \$ 50,660,789)	49,773,142	49,079,642	98,752,101
1.4 Net (written \$ 44,747,630)	43,667,002	42,822,245	86,235,181
DEDUCTIONS:			
2. Losses incurred (current accident year \$)::			
2.1 Direct	26,098,382	24,069,868	48,617,294
2.2 Assumed	26,333,905	21,719,343	44,449,513
2.3 Ceded	26,098,382	24,069,868	48,617,294
2.4 Net	26,333,905	21,719,343	44,449,513
3. Loss adjustment expenses incurred	3,875,231	3,967,845	8,519,883
4. Other underwriting expenses incurred	14,396,604	14,001,334	28,781,311
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	44,605,740	39,688,522	81,750,707
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(938,738)	3,133,722	4,484,474
INVESTMENT INCOME			
9. Net investment income earned	1,877,854	1,784,374	4,074,465
10. Net realized capital gains (losses) less capital gains tax of \$ 245,200	922,418	176,087	2,458,349
11. Net investment gain (loss) (Lines 9 + 10)	2,800,272	1,960,461	6,532,814
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 40,236)	(40,236)	(35,422)	(86,881)
13. Finance and service charges not included in premiums	603,826	586,644	1,172,538
14. Aggregate write-ins for miscellaneous income	1,237	546	5,054
15. Total other income (Lines 12 through 14)	564,827	551,768	1,090,710
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,426,361	5,645,951	12,107,999
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	2,426,361	5,645,951	12,107,999
19. Federal and foreign income taxes incurred	297,898	1,173,535	1,824,152
20. Net income (Line 18 minus Line 19)(to Line 22)	2,128,463	4,472,417	10,283,847
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	112,525,414	115,725,610	115,725,610
22. Net income (from Line 20)	2,128,463	4,472,417	10,283,847
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,304,680	4,908,083	(1,395,253)	(7,775,686)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	622,495	601,194	1,197,448
27. Change in nonadmitted assets	(1,995,991)	(2,106,986)	(6,905,806)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	5,663,050	1,571,371	(3,200,196)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	118,188,464	117,296,982	112,525,414
DETAILS OF WRITE-INS			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	1,237	546	5,054
1402.	0	0	0
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	1,237	546	5,054
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	42,372,466	41,348,060	98,316,767
2. Net investment income	2,295,607	2,117,532	5,161,167
3. Miscellaneous income	564,827	551,768	1,090,710
4. Total (Lines 1 to 3)	45,232,900	44,017,360	104,568,645
5. Benefit and loss related payments	23,937,178	23,353,037	46,832,195
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	21,146,181	19,964,397	36,206,368
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	550,000	250,000	2,300,000
10. Total (Lines 5 through 9)	45,633,359	43,567,434	85,338,563
11. Net cash from operations (Line 4 minus Line 10)	(400,459)	449,926	19,230,082
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	7,807,626	5,350,758	11,801,245
12.2 Stocks	1,736,981	576,207	7,063,726
12.3 Mortgage loans	0	0	0
12.4 Real estate	155,632	0	0
12.5 Other invested assets	197,078	63,364	568,907
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	138,729	112,612	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	10,036,045	6,102,942	19,433,879
13. Cost of investments acquired (long-term only):			
13.1 Bonds	10,479,197	6,178,323	15,648,688
13.2 Stocks	97,365	393,542	4,593,052
13.3 Mortgage loans	0	0	0
13.4 Real estate	8,885	1,920,969	2,382,475
13.5 Other invested assets	0	100,000	3,050,000
13.6 Miscellaneous applications	0	0	68
13.7 Total investments acquired (Lines 13.1 to 13.6)	10,585,447	8,592,834	25,674,283
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(549,402)	(2,489,892)	(6,240,405)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	(2,604,517)	(2,760,236)	(6,282,287)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(2,604,517)	(2,760,236)	(6,282,287)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,554,377)	(4,800,202)	6,707,390
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(17,504,315)	(24,211,705)	(24,211,705)
19.2 End of period (Line 18 plus Line 19.1)	(21,058,693)	(29,011,907)	(17,504,315)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

	State of Domicile	2019	2018
<u>NET INCOME</u>			
(1) WRMCC state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$ 2,128,463	\$ 10,283,847
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (1-2-3=4)		<u>\$ 2,128,463</u>	<u>\$ 10,283,847</u>
<u>SURPLUS</u>			
(1) WRMCC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 118,188,464	\$ 112,525,414
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (5-6-7=8)		<u>\$ 118,188,464</u>	<u>\$ 112,525,414</u>

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

No significant changes.

C. Accounting Policy

No significant changes.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

NOTES TO FINANCIAL STATEMENTS

D. Loan-Backed Securities

- 1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.
- 2. None.
- 3. None.
- 4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$ (2,255)
2. 12 months or Longer	\$ (19,798)

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

1. Less than 12 months	\$ 1,155,573
2. 12 months or longer	\$ 1,489,797

- 5. The Company reviews all loan-backed and structured securities in which the fair value of a given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security’s unrealized loss indicates a risk of other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

J. Real Estate

Not applicable.

K. Low-income Housing Tax Credits (LIHTC)

Not applicable.

L. Restricted Assets

Not applicable.

M. Working Capital Finance Investments

Not applicable.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

NOTES TO FINANCIAL STATEMENTS

O. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Refinanced Security (YES/NO)
912810-FR-4	\$1,006,055	\$1,363,083	\$1,217,108	NO
912828-3R-9	397,123	421,065	411,851	NO
912828-LA-6	503,327	598,782	598,232	NO
912828-S5-0	803,163	846,607	852,335	NO
912828-UH-1	479,661	550,265	544,544	NO
912828-V4-9	796,113	851,597	843,065	NO
912828-N7-1	824,827	880,805	868,205	NO
912828-WU-0	408,804	429,613	417,720	NO
912828-4X-5	396,938	416,188	397,396	NO
912828-6C-9	1,002,813	1,019,688	1,002,542	NO
Total:	\$6,618,824	\$7,377,693	\$7,152,998	

P. 5* Securities

Not applicable.

Q. Short Sales

Not applicable.

R. Prepayment Penalty and Accelerated Fees

	General Account	Protected Cell
(1) Number of CUSIPS	0	0
(2) Aggregate Amount of Investment Income	\$ --	\$ --

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes.

7. Investment Income

No significant changes.

8. Derivative Instruments

No significant changes.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at June 30, 2019 and December 31, 2018 are as follows:

1.

	06/30/2019		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 9,568,299	\$ 513,323	\$ 10,081,622
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	9,568,299	513,323	10,081,622
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	9,568,299	513,323	10,081,622
(f) Deferred Tax Liabilities	(850,886)	(5,467,506)	(6,318,392)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 8,717,413</u>	<u>\$ (4,954,183)</u>	<u>\$ 3,763,230</u>
	12/31/2018		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 9,056,454	\$ 515,581	\$ 9,572,035
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	9,056,454	515,581	9,572,035
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	9,056,454	515,581	9,572,035
(f) Deferred Tax Liabilities	(995,398)	(4,131,222)	(5,126,620)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 8,061,056</u>	<u>\$ (3,615,641)</u>	<u>\$ 4,445,415</u>

NOTES TO FINANCIAL STATEMENTS

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ 511,845	\$ (2,258)	\$ 509,587
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	511,845	(2,258)	509,587
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	511,845	(2,258)	509,587
(f) Deferred Tax Liabilities	144,512	(1,336,284)	(1,191,772)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 656,357</u>	<u>\$ (1,338,542)</u>	<u>\$ (682,185)</u>
2. Admission Calculation Components SSAP No. 101			
	06/30/2019		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 1,066,342	\$ —	\$ 1,066,342
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	4,262,702	—	4,262,702
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	4,262,702	—	4,262,702
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	16,857,764
(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.	<u>4,239,255</u>	<u>513,323</u>	<u>4,752,578</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 9,568,299</u>	<u>\$ 513,323</u>	<u>\$ 10,081,622</u>
	12/31/2018		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 2,688,588	\$ —	\$ 2,688,588
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	6,037,153	—	6,037,153
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	6,037,153	—	6,037,153
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	15,885,414
(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.	<u>330,713</u>	<u>515,581</u>	<u>846,294</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 9,056,454</u>	<u>\$ 515,581</u>	<u>\$ 9,572,035</u>

NOTES TO FINANCIAL STATEMENTS

		Change		
		(7)	(8)	(9)
		(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ (1,622,246)	\$ —	\$ (1,622,246)
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	(1,774,451)	—	(1,774,451)
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(1,774,451)	—	(1,774,451)
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	972,350
(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.	<u>3,908,542</u>	<u>(2,258)</u>	<u>3,906,284</u>
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 511,845</u>	<u>\$ (2,258)</u>	<u>\$ 509,587</u>
3.				
		2019	2018	
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%	
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 112,385,093	\$ 105,902,757	
4.	Impact of Tax-Planning Strategies			
		06/30/2019		
		(1)	(2)	
		Ordinary	Capital	
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 9,568,299	\$ 513,323	
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 9,568,299	\$ 513,323	
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
		12/31/2018		
		(1)	(2)	
		Ordinary	Capital	
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 9,056,454	\$ 515,581	
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 9,056,454	\$ 515,581	
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
		Change		
		(5)	(6)	
		(Col 1-3) Ordinary	(Col 2-4) Capital	
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 511,845	\$ (2,258)	
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ 511,845	\$ (2,258)	
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	
(b)	Does the Company's tax-planning strategies include the use of reinsurance?	Yes _____	No <u>X</u>	

NOTES TO FINANCIAL STATEMENTS

B. The Company has no temporary differences for which deferred tax liabilities are not recognized.

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

	(1)	(2)	(3)
	06/30/2019	12/31/2018	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 297,898	\$ 1,824,152	\$ (1,526,254)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 297,898	\$ 1,824,152	\$ (1,526,254)
(d) Federal income tax on net capital gains	\$ 245,200	\$ 653,485	\$ (408,285)
(e) Utilization of operating loss carry-forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 543,098</u>	<u>\$ 2,477,637</u>	<u>\$ (1,934,539)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 432,985	\$ 432,985	\$ —
(2) Unearned premium reserve	\$ 1,758,521	\$ 1,713,135	\$ 45,386
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed Assets/prepaid expense	\$ 6,285,631	\$ 5,884,982	\$ 400,649
(8) Compensation and benefits accrual	\$ 274,344	\$ 256,761	\$ 17,583
(9) Pension accrual	\$ 24,424	\$ 24,424	\$ —
(10) Receivables – nonadmitted	\$ 34,512	\$ 24,416	\$ 10,096
(11) Net operating loss carry-forward	\$ —	\$ —	\$ —
(12) Tax credit carry-forward	\$ —	\$ —	\$ —
(13) Other (including items <5% of total ordinary tax assets):			
(14) Salvage and subrogation anticipated	\$ 608,232	\$ 608,232	\$ —
(15) Software capitalized	\$ 108,946	\$ 85,880	\$ 23,066
(16) Other	<u>\$ 40,704</u>	<u>\$ 25,639</u>	<u>\$ 15,065</u>
(99) Subtotal	\$ 9,568,299	\$ 9,056,454	\$ 511,845
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 9,568,299</u>	<u>\$ 9,056,454</u>	<u>\$ 511,845</u>
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry-forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 513,323	\$ 515,581	\$ (2,258)
(6) Other	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(99) Subtotal	\$ 513,323	\$ 515,581	\$ (2,258)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 513,323</u>	<u>\$ 515,581</u>	<u>\$ (2,258)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 10,081,622</u>	<u>\$ 9,572,035</u>	<u>\$ 509,587</u>
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (99,224)	\$ (108,257)	\$ 9,033
(2) Fixed assets	\$ (520,870)	\$ (667,870)	\$ 147,000
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Accumulated amortization software	\$ (57,946)	\$ (46,425)	\$ (11,521)
(6) Discounting of unpaid losses	\$ (172,846)	\$ (172,846)	\$ —
(7) Other (including items <5% of total ordinary tax liabilities):			
(8) Other	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(99) Subtotal	\$ (850,886)	\$ (995,398)	\$ 144,512
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	<u>\$ (5,467,506)</u>	<u>\$ (4,131,222)</u>	<u>\$ (1,336,284)</u>
(99) Subtotal	<u>\$ (5,467,506)</u>	<u>\$ (4,131,222)</u>	<u>\$ (1,336,284)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (6,318,392)</u>	<u>\$ (5,126,620)</u>	<u>\$ (1,191,772)</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ 3,763,230</u>	<u>\$ 4,445,415</u>	<u>\$ (682,185)</u>

NOTES TO FINANCIAL STATEMENTS

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

	<u>06/30/2019</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 561,028	21.0%
Tax exempt interest	(87,809)	(3.3%)
Dividends received deduction	(39,442)	(1.5%)
Change in deferred tax on nonadmitted assets	(410,744)	(15.4%)
Other	(134,034)	(5.0%)
Total	<u>\$ (111,001)</u>	<u>(4.2%)</u>
Federal and foreign income taxes incurred	\$ 297,898	11.1%
Tax on capital gains (losses)	245,200	9.2%
Change in net deferred income taxes	(654,099)	(24.5%)
Total statutory income taxes	<u>\$ (111,001)</u>	<u>(4.2%)</u>

- E. Carry-forwards, recoverable taxes, and IRC §6603 deposits:
- (1) As of June 30, 2019, the Company had no net operating loss or net capital loss carry-forwards available for tax purposes.
- As of June 30, 2019, the Company had no alternative minimum tax (AMT) credit carry-forwards.
- (2) As of June 30, 2019, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$1,777,551.
- (3) The Company has no deposits reported as admitted assets under IRC §6603 as June 30, 2019.
- F. The Company files an individual federal income tax return.

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At June 30, 2019 and December 31, 2018, there were intercompany receivables of \$17,450 and \$37,314, respectively, due from its Subsidiaries and Affiliates. The intercompany balances due from its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. No significant changes.
- G. No significant changes.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. No significant changes.
- L. No significant changes.
- M. No significant changes.
- N. No significant changes.

11. Debt

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

A. Defined Benefit Plan

The Company has a non-qualified, unfunded, retiree healthcare plan that was closed to new participants. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of June 30, 2019 and December 31, 2018, amounts held for these deferrals were \$0.9 million and \$0.7 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

E. Defined Contribution Plans

No significant changes.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

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

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$26.0 million and \$19.7 million at June 30, 2019 and December 31, 2018, respectively.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

NOTES TO FINANCIAL STATEMENTS

14. Liabilities, Contingencies and Assessments

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

15. Leases

No significant changes.

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

Not applicable.

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

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

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

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

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

Not applicable.

20. Fair Value Measurements

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

NOTES TO FINANCIAL STATEMENTS

Level 1:

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

Level 2:

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

Level 3:

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

(1) Fair Value Measurements at June 30, 2019:

Description of each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 2,894,474	\$ --	\$ --	\$ --	\$ 2,894,474
Total Cash Equivalents	2,894,474	--	--	--	2,894,474
Common Stock:					
Mutual Funds	21,921,892	--	--	--	21,921,892
Industrial and Misc	32,254,242	--	126,943	--	32,381,185
Total Common Stocks	54,176,134	--	126,943	--	54,303,077
Bonds:					
Industrial and Misc	--	377,695	--	--	377,695
Total Bonds	--	377,695	--	--	377,695
Other Invested Assets	4,703,773	9,106,299	--	--	13,810,072
Total assets at fair value/NAV	\$ 61,774,381	\$ 9,483,994	\$ 126,943	\$ --	\$ 71,385,318
b. Liabilities at fair value:					
Not applicable.					

Fair Value Measurements at December 31, 2018:

Description of each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 3,129,272	\$ --	\$ --	\$ --	\$ 3,129,272
Total Cash Equivalents	3,129,272	--	--	--	3,129,272
Common Stock:					
Mutual Funds	19,443,287	--	--	--	19,443,287
Industrial and Misc	29,763,303	--	126,943	--	29,890,246
Total Common Stocks	49,206,590	--	126,943	--	49,333,533
Bonds:					
Industrial and Misc	--	333,256	--	--	333,256
Total Bonds	--	333,256	--	--	333,256
Other Invested Assets	4,200,456	8,931,967	--	--	13,132,423
Total assets at fair value/NAV	\$ 56,536,318	\$ 9,265,223	\$ 126,943	\$ --	\$ 65,928,484
b. Liabilities at fair value:					
Not applicable.					

NOTES TO FINANCIAL STATEMENTS

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

	Beginning Balance at 03/31/2019	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases (Sales)	Ending Balance at 06/30/2019
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 126,943	\$ —	\$ —	\$ —	\$ —	\$ 126,943
b. Liabilities:						
Not applicable.						

- (3) The Company's policy is to recognize transfers in and out as of the end of the reporting period.
- (4) As of June 30, 2019, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

Common Stocks – The Company holds an investment in NAMIC common stock.

- B. Not applicable.
- C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$117,961,479	\$114,837,108	\$ 8,705,818	\$109,255,661	\$ --	\$ --	\$ --
Common Stock	54,303,077	54,303,077	54,176,134	--	126,943	--	--
Other Invested Assets	13,810,072	13,810,072	4,703,773	9,106,299	--	--	--
Cash Equivalents	2,894,474	2,894,474	2,894,474	--	--	--	--

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

21. Other Items

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

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through August 15, 2019 for the statutory statement issued on August 15, 2019 for the quarter ending June 30, 2019. No Type I events were identified that would have a material effect on the financial condition of the Company.

Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through August 15, 2019 for the statutory statement issued on August 15, 2019 for the quarter ending June 30, 2019. No Type II events were identified that would have a material effect on the financial condition of the Company.

NOTES TO FINANCIAL STATEMENTS

22. Reinsurance

- A. Unsecured Reinsurance Recoverables
Not applicable.
- B. Reinsurance Recoverable in Dispute
Not applicable.
- C. Reinsurance Assumed and Ceded
No significant changes.
- D. Uncollectible Reinsurance
No significant changes.
- E. Commutation of Ceded Reinsurance
Not applicable.
- F. Retroactive Reinsurance
Not applicable.
- G. Reinsurance Accounted for as a Deposit
Not applicable.
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements
Not applicable.
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2018 were \$36.6 million. During 2019, \$9.2 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$23.2 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$4.2 million favorable prior year development from December 31, 2018 to June 30, 2019. Favorable development in auto physical damage, commercial multi-peril, homeowner, and farmowner lines of insurance were offset, in part, by unfavorable development in commercial auto liability lines of insurance. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

26. Intercompany Pooling Agreements

No significant changes.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No significant changes.

31. High Deductibles

Not applicable.

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

No significant changes.

NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves

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

	2015	2016	2017	2018	2019
(1) Direct –					
1) Beginning reserves:	\$ 32	\$ 32	\$ 32	\$ 28	\$ 28
2) Incurred losses and loss adjustment expense:	—	4	4	2	1
3) Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>4</u>	<u>8</u>	<u>2</u>	<u>1</u>
4) Ending reserves:	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>
(2) Assumed Reinsurance –					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(3) Net of Ceded Reinsurance –					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for loss and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

- E. State the amount of ending reserves for Bulk + IBNR included in D (Loss & LAE):
- (1) Direct Basis: \$ —
- (2) Assumed Reinsurance Basis: \$ —
- (3) Net of Ceded Reinsurance Basis: \$ —
- F. State the amount of ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):
- (3) Direct Basis: \$ —
- (4) Assumed Reinsurance Basis: \$ —
- (5) Net of Ceded Reinsurance Basis: \$ —

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

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

Yes ☐ No ☒
- 1.2

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

Yes ☐ No ☐
- 2.1

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

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

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

Yes ☒ No ☐

If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

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

Yes ☐ No ☒
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4

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

Yes ☐ No ☒
- 3.5

If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1

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

Yes ☐ No ☒

If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 4.2

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

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

5.

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

Yes ☐ No ☐ NA ☒

If yes, attach an explanation.
- 6.1

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

12/31/2016
- 6.2

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

12/31/2016
- 6.3

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

10/25/2017
- 6.4

By what department or departments?

Ohio
- 6.5

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

Yes ☐ No ☐ NA ☒
- 6.6

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

Yes ☒ No ☐ NA ☐
- 7.1

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

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

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

Yes ☐ No ☒
- 8.2

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

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

Yes ☐ No ☒
- 8.4

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

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

GENERAL INTERROGATORIES

- 9.1

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

Yes [X] No []
- 9.11

If the response to 9.1 is No, please explain:
.....
- 9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
.....
- 9.3

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

Yes [] No [X]
- 9.31

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

FINANCIAL

- 10.1

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

Yes [X] No []
- 10.2

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

INVESTMENT

- 11.1

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

Yes [] No [X]
- 11.2

If yes, give full and complete information relating thereto:
.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:\$0
13.

Amount of real estate and mortgages held in short-term investments:\$0
- 14.1

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

Yes [X] No []
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$0	\$
14.22 Preferred Stock	\$0	\$
14.23 Common Stock	\$336,812	\$376,182
14.24 Short-Term Investments	\$0	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$336,812	\$376,182
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

- 15.1

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

Yes [] No [X]
- 15.2

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

Yes [] No []
- If no, attach a description with this statement.
- 16

For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$0
- 16.2

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$0
- 16.3

Total payable for securities lending reported on the liability page

\$0

GENERAL INTERROGATORIES

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [] No [X]

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

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

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [] No [X]

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

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

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

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

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s assets?

Yes [] No [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity’s assets?

Yes [] No [X]

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

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

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

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

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or
a. 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]

20. 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.
The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is
c. shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities?.....

Yes [] No [X]

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent

0.0 %

5.2 A&H cost containment percent

0.0 %

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

0.0 %

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

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

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

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

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

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

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

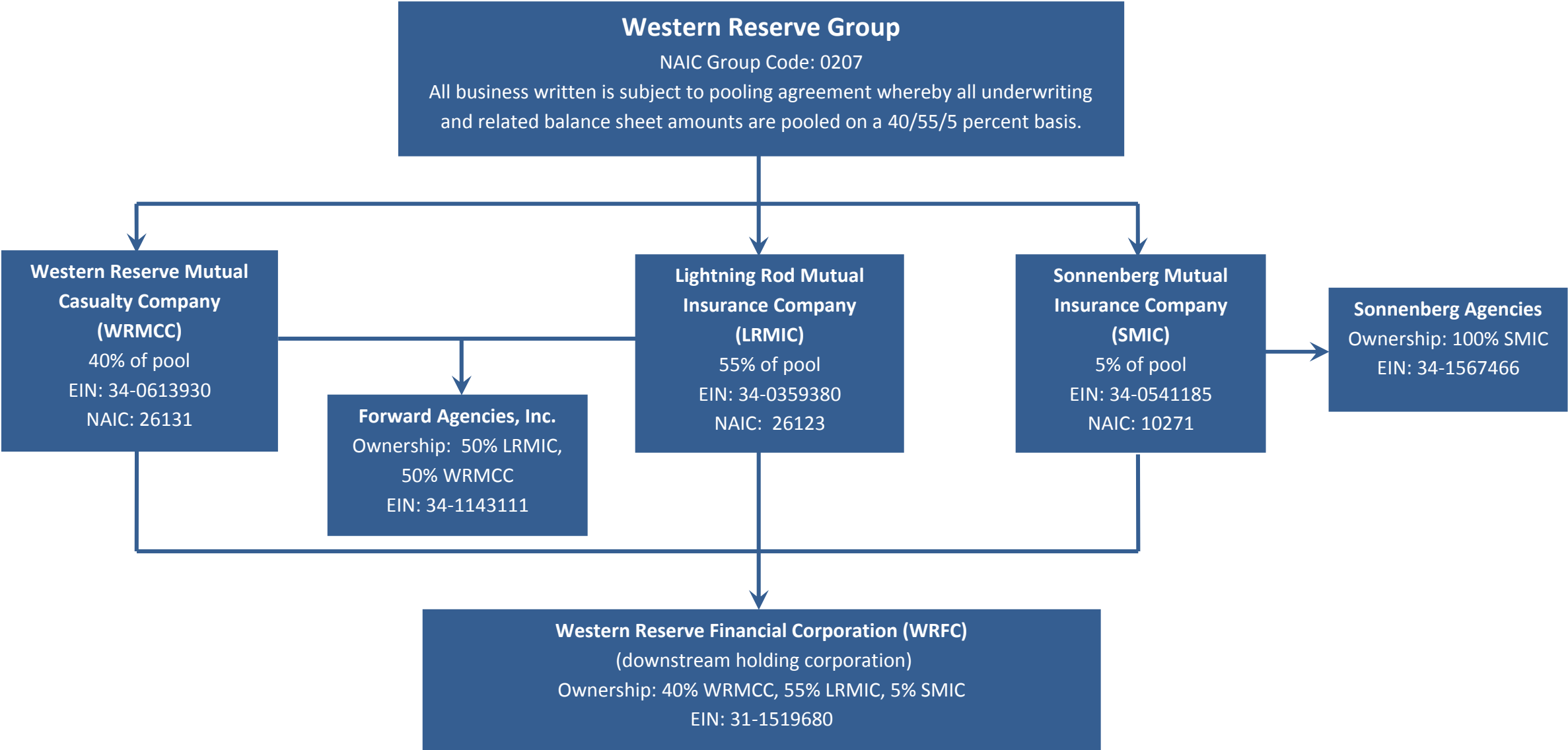
Current Year to Date – Allocated by States and Territories								
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. Dist. Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	L	0	0	0	0	0	
15. Indiana	IN	L	13,809,737	13,783,573	6,073,224	8,337,574	12,811,334	
16. Iowa	IA	N	0	0	0	0	0	
17. Kansas	KS	N	0	0	0	0	0	
18. Kentucky	KY	N	0	0	0	0	0	
19. Louisiana	LA	N	0	0	0	0	0	
20. Maine	ME	N	0	0	0	0	0	
21. Maryland	MD	N	0	0	0	0	0	
22. Massachusetts	MA	N	0	0	0	0	0	
23. Michigan	MI	N	0	0	0	0	0	
24. Minnesota	MN	N	0	0	0	0	0	
25. Mississippi	MS	N	0	0	0	0	0	
26. Missouri	MO	N	0	0	0	0	0	
27. Montana	MT	N	0	0	0	0	0	
28. Nebraska	NE	N	0	0	0	0	0	
29. Nevada	NV	N	0	0	0	0	0	
30. New Hampshire	NH	N	0	0	0	0	0	
31. New Jersey	NJ	N	0	0	0	0	0	
32. New Mexico	NM	N	0	0	0	0	0	
33. New York	NY	N	0	0	0	0	0	
34. No. Carolina	NC	N	0	0	0	0	0	
35. No. Dakota	ND	N	0	0	0	0	0	
36. Ohio	OH	L	36,851,052	35,927,585	18,446,437	17,940,881	27,753,137	
37. Oklahoma	OK	N	0	0	0	0	0	
38. Oregon	OR	N	0	0	0	0	0	
39. Pennsylvania	PA	N	0	0	0	0	0	
40. Rhode Island	RI	N	0	0	0	0	0	
41. So. Carolina	SC	N	0	0	0	0	0	
42. So. Dakota	SD	N	0	0	0	0	0	
43. Tennessee	TN	L	0	0	0	0	0	
44. Texas	TX	N	0	0	0	0	0	
45. Utah	UT	N	0	0	0	0	0	
46. Vermont	VT	N	0	0	0	0	0	
47. Virginia	VA	N	0	0	0	0	0	
48. Washington	WA	N	0	0	0	0	0	
49. West Virginia	WV	N	0	0	0	0	0	
50. Wisconsin	WI	N	0	0	0	0	0	
51. Wyoming	WY	N	0	0	0	0	0	
52. American Samoa	AS	N	0	0	0	0	0	
53. Guam	GU	N	0	0	0	0	0	
54. Puerto Rico	PR	N	0	0	0	0	0	
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	
56. Northern Mariana Islands	MP	N	0	0	0	0	0	
57. Canada	CAN	N	0	0	0	0	0	
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	
59. Totals	XXX	50,660,789	49,711,158	24,519,661	26,278,455	40,564,471	41,450,817	
DETAILS OF WRITE-INS								
58001.	XXX							
58002.	XXX							
58003.	XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 4 R – Registered – Non-domiciled RRGs 0
E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) 0 Q – Qualified – Qualified or accredited reinsurer 0
D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile 0 N – None of the above – Not allowed to write business in the state 53

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

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

Asterisk	Explanation

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire	1,530,512	367,961	24.0	28.6
2.	Allied lines	838,666	1,055,143	125.8	92.0
3.	Farmowners multiple peril	0	0	0.0	0.0
4.	Homeowners multiple peril	14,292,336	10,797,883	75.6	46.5
5.	Commercial multiple peril	7,873,208	1,495,215	19.0	23.6
6.	Mortgage guaranty			0.0	0.0
8.	Ocean marine			0.0	0.0
9.	Inland marine	629,212	28,988	4.6	11.8
10.	Financial guaranty			0.0	0.0
11.1	Medical professional liability -occurrence			0.0	0.0
11.2	Medical professional liability -claims made			0.0	0.0
12.	Earthquake			0.0	0.0
13.	Group accident and health			0.0	0.0
14.	Credit accident and health			0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation	697,490	904,993	129.7	141.1
17.1	Other liability occurrence	1,954,809	759,941	38.9	23.7
17.2	Other liability-claims made	11,033	0	0.0	366.7
17.3	Excess Workers' Compensation			0.0	0.0
18.1	Products liability-occurrence	55,734	(3,800)	(6.8)	10.1
18.2	Products liability-claims made			0.0	0.0
19.1,19.2	Private passenger auto liability	9,535,934	4,754,487	49.9	50.7
19.3,19.4	Commercial auto liability	2,621,929	714,823	27.3	101.6
21.	Auto physical damage	9,528,065	5,174,188	54.3	57.6
22.	Aircraft (all perils)			0.0	0.0
23.	Fidelity			0.0	0.0
24.	Surety			0.0	0.0
26.	Burglary and theft	16,623	(1,533)	(9.2)	(9.8)
27.	Boiler and machinery	187,591	50,093	26.7	27.1
28.	Credit			0.0	0.0
29.	International			0.0	0.0
30.	Warranty			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0.0	0.0
35.	TOTALS	49,773,142	26,098,382	52.4	49.0
DETAILS OF WRITE-INS					
3401.				0.0	0.0
3402.				0.0	0.0
3403.				0.0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire	795,768	1,472,047	1,492,318
2.	Allied lines	435,652	809,321	816,629
3.	Farmowners multiple peril	0		0
4.	Homeowners multiple peril	7,863,893	14,064,948	12,437,500
5.	Commercial multiple peril	4,845,497	8,853,220	8,344,932
6.	Mortgage guaranty	0		0
8.	Ocean marine	0		0
9.	Inland marine	406,028	699,682	689,265
10.	Financial guaranty	0		0
11.1	Medical professional liability-occurrence	0		0
11.2	Medical professional liability-claims made	0		0
12.	Earthquake	0		0
13.	Group accident and health	0		0
14.	Credit accident and health	0		0
15.	Other accident and health	0		0
16.	Workers' compensation	408,274	792,794	748,217
17.1	Other liability occurrence	1,102,827	2,118,418	1,987,396
17.2	Other liability-claims made	6,112	13,068	14,399
17.3	Excess Workers' Compensation	0		0
18.1	Products liability-occurrence	37,151	57,776	54,466
18.2	Products liability-claims made	0		0
19.1,19.2	Private passenger auto liability	4,597,671	9,173,576	10,313,328
19.3,19.4	Commercial auto liability	1,547,328	3,021,358	2,621,769
21.	Auto physical damage	4,753,823	9,379,555	9,998,268
22.	Aircraft (all perils)	0		0
23.	Fidelity	0		0
24.	Surety	0		0
26.	Burglary and theft	6,168	14,075	15,085
27.	Boiler and machinery	103,380	190,951	177,586
28.	Credit	0		0
29.	International	0		0
30.	Warranty	0		0
31.	Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business	0	0	0
35.	TOTALS	26,909,572	50,660,789	49,711,158
DETAILS OF WRITE-INS				
3401.		0		0
3402.		0		0
3403.		0		0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2016 + Prior	6,868	541	7,409	817	21	838	4,582	59	396	5,037	(1,469)	(65)	(1,534)
2. 2017	8,948	733	9,681	1,326	51	1,377	6,431	85	358	6,874	(1,191)	(239)	(1,430)
3. Subtotals 2017 + prior	15,816	1,274	17,090	2,143	72	2,215	11,013	144	754	11,911	(2,660)	(304)	(2,964)
4. 2018.....	15,433	4,121	19,554	6,166	771	6,937	10,337	306	622	11,265	1,070	(2,422)	(1,352)
5. Subtotals 2018 + prior	31,249	5,395	36,644	8,309	843	9,152	21,350	450	1,376	23,176	(1,590)	(2,726)	(4,316)
6. 2019	XXX	XXX	XXX	XXX	18,808	18,808	XXX	11,238	4,489	15,727	XXX	XXX	XXX
7. Totals	31,249	5,395	36,644	8,309	19,651	27,960	21,350	11,688	5,865	38,903	(1,590)	(2,726)	(4,316)
8. Prior Year-End Surplus As Regards Policy-holders	112,525										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (5.1)	2. (50.5)	3. (11.8)
											Col. 13, Line 7 Line 8		
											4. (3.8)		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:

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

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

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

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,168,590	7,030,672
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	8,885	2,382,475
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals	155,632	0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other-than-temporary impairment recognized		0
8. Deduct current year's depreciation	138,729	244,557
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	8,883,114	9,168,590
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	8,883,114	9,168,590

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	14,579,222	13,430,889
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		850,000
2.2 Additional investment made after acquisition		2,200,000
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	677,657	(1,332,760)
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals	197,078	568,907
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	15,059,801	14,579,222
12. Deduct total nonadmitted amounts	1,249,729	1,446,799
13. Statement value at end of current period (Line 11 minus Line 12)	13,810,072	13,132,423

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	162,187,640	167,060,228
2. Cost of bonds and stocks acquired	10,576,562	20,241,741
3. Accrual of discount	18,351	32,628
4. Unrealized valuation increase (decrease)	5,535,107	(8,509,815)
5. Total gain (loss) on disposals	1,167,618	3,111,835
6. Deduct consideration for bonds and stocks disposed of	9,544,607	18,869,252
7. Deduct amortization of premium	424,304	884,004
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		0
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees		4,281
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	169,516,367	162,187,640
12. Deduct total nonadmitted amounts	376,182	336,812
13. Statement value at end of current period (Line 11 minus Line 12)	169,140,185	161,850,828

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	107,115,134	5,696,011	4,900,145	(311,438)	107,115,134	107,599,562	0	104,712,199
2. NAIC 2 (a).....	7,064,733		400,000	195,118	7,064,733	6,859,851	0	7,471,840
3. NAIC 3 (a).....	363,424			14,270	363,424	377,695	0	333,256
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	114,543,292	5,696,011	5,300,145	(102,050)	114,543,292	114,837,108	0	112,517,295
PREFERRED STOCK								
8. NAIC 1	0				0	0	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	114,543,292	5,696,011	5,300,145	(102,050)	114,543,292	114,837,108	0	112,517,295

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

Schedule DA - Part 1

NONE

Schedule DA - Verification

NONE

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E – PART 2 – VERIFICATION
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,129,272	3,537,440
2. Cost of cash equivalents acquired	12,807,490	25,390,653
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals	13,042,289	25,798,821
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	2,894,474	3,129,272
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	2,894,474	3,129,272

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

E03

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

NONE

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

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of - Other - Unaffiliated																			
000000-00-0	Buell Agency	IN		Buell Agency	01/28/2016	06/28/2019	17,984					.0		17,984	17,984			.0	1,214
000000-00-0	Allen Thomas Group	OH		Allen Thomas Group	03/15/2013	06/28/2019	5,918					.0		5,918	5,918			.0	385
000000-00-0	Hilvers Agency	USA		Hilvers Agency	03/01/2018	06/28/2019	82,448					.0		82,448	82,448			.0	2,521
000000-00-0	Voldicore/Encore	OH		Voldicore/Encore	11/01/2018	06/28/2019	31,700					.0		31,700	31,700			.0	1,438
1199999 - Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of - Other Fixed Income - Unaffiliated							138,050	0	0	0	0	0	0	138,050	138,050	0	0	0	5,559
4499999 - Subtotals - Unaffiliated							138,050	0	0	0	0	0	0	138,050	138,050	0	0	0	5,559
4599999 - Subtotals - Affiliated							0	0	0	0	0	0	0	0	0	0	0	0	0
4699999 Totals							138,050	0	0	0	0	0	0	138,050	138,050	0	0	0	5,559

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator ^(a)
Bonds - U.S. Governments									
38381A-GK-6	GNR 18147C EV - CMO/RMBS		04/11/2019	VINING SPARKS IBG, L.P.	XXX	593,884	577,989	843	1
0599999 - Bonds - U.S. Governments						593,884	577,989	843	XXX
Bonds - U.S. Special Revenue									
3136AW-BD-8	FNR 1725A QH - CMO/RMBS		04/01/2019	Stifel Nicolaus & Co.	XXX	(6,033)	(6,059)		1
3137BY-L3-2	FHR 4683C PD - CMO/RMBS		04/05/2019	Stifel Nicolaus & Co.	XXX	615,497	617,040	463	1
3137F3-BA-1	FHR 4768A AV - CMO/RMBS		04/02/2019	Raymond James Financial	XXX	566,464	548,135	213	1
3137F3-X4-1	FHR 4764K XV - CMO/RMBS		04/08/2019	Raymond James Financial	XXX	765,792	742,137	722	1
3137F5-AQ-2	FHR 4792B DA - CMO/RMBS		04/17/2019	Stifel Nicolaus & Co.	XXX	726,154	710,393	1,737	1
31418C-5A-8	FN MA3540 - RMBS		04/09/2019	VINING SPARKS IBG, L.P.	XXX	483,601	471,519	642	1
880557-7X-5	TENNESSEE ST SCH BD AUTH		04/10/2019	Raymond James Financial	XXX	454,820	400,000	1,454	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						3,606,296	3,483,164	5,230	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
10373Q-AC-4	BP CAPITAL MARKETS AMERICA INC.	C	06/11/2019	Raymond James Financial	XXX	489,831	458,000	4,107	1FE
17298C-GX-0	CITIGROUP INC.		06/26/2019	VINING SPARKS IBG, L.P.	XXX	300,000	300,000		1FE
438506-AS-6	HONEYWELL INC.		04/24/2019	Raymond James Financial	XXX	504,000	400,000	9,643	1FE
494368-BZ-5	KIMBERLY-CLARK CORP.		04/30/2019	Raymond James Financial	XXX	202,000	200,000	124	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,495,831	1,358,000	13,875	XXX
8399997 - Subtotals - Bonds - Part 3						5,696,011	5,419,153	19,948	XXX
8399999 - Subtotals - Bonds						5,696,011	5,419,153	19,948	XXX
Common Stocks - Industrial and Miscellaneous									
22052L-10-4	CORTEVA ORD.		06/03/2019	CORPORATE ACTION	4,273.333	11,155	XXX		L
260557-10-3	DOW ORD.		04/02/2019	CORPORATE ACTION	4,273.333	18,456	XXX		L
26078J-10-0	DOWDUPONT ORD.		04/02/2019	CORPORATE ACTION	12,820.000	37,869	XXX		L
26614N-10-2	DUPONT DE NEMOURS ORD.		06/03/2019	CORPORATE ACTION	4,273.333	26,714	XXX		L
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						94,194	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						94,194	XXX	0	XXX
9799999 - Subtotals - Common Stocks						94,194	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						94,194	XXX	0	XXX
9999999 Totals						5,790,205	XXX	19,948	XXX

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

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign Sign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator ^(a)
Bonds - U.S. Governments																					
30250R-AA-2	FDIC 10RT1 A - RMBS		06/01/2019	Paydown	XXX	35,557	35,557	35,557	35,522		35		35		35,557			.0	.626	05/25/2050	1
36295P-6H-0	GN 676872 - RMBS		06/01/2019	Paydown	XXX	1,911	1,911	1,928	1,916		(5)		(5)		1,911			.0	.167	03/15/2023	1
38380Y-3C-7	GNR 18124H QC - CMO/RMBS		06/01/2019	Paydown	XXX	13,930	13,930	13,887	13,887		43		43		13,930			.256	10/20/2046	1	
38381A-GK-6	GNR 18147C EV - CMO/RMBS		06/01/2019	Paydown	XXX	7,423	7,423	7,627			(204)		(204)		7,423			.0	.32	01/20/2030	1
83162C-PP-2	SBAP 0520F A - ABS		06/01/2019	Paydown	XXX	9,121	9,121	9,258	9,203		(82)		(82)		9,121			.0	1,321	06/01/2025	1
83162C-YD-2	SBAP 1220K A - ABS		06/01/2019	Paydown	XXX	16,224	16,224	16,366	16,358		(135)		(135)		16,224			.0	1,213	11/01/2032	1
831641-ES-0	SBIC 1010A A - ABS		04/01/2019	Paydown	XXX								.0					.0	1,517	03/10/2020	1
831641-EZ-4	SBIC 1310B B - ABS		04/01/2019	Paydown	XXX								.0					.0	5,230	09/10/2023	1
831641-FJ-9	SBIC 1710B A - ABS		04/01/2019	Paydown	XXX								.0					.0	253	09/10/2027	1
831641-FK-6	SBIC 1810A A - ABS		04/01/2019	Paydown	XXX								.0					.0	324	03/10/2028	1
831641-FL-4	SBIC 1810B B - ABS		04/01/2019	Paydown	XXX								.0					.0	386	09/10/2028	1
0599999 - Bonds - U.S. Governments						84,166	84,166	84,622	76,887	0	(348)	0	(348)	0	84,166	0	0	0	11,326	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
068746-JF-4	BARROW CNTY GA SCH DIST WINDER		04/03/2019	First Tennessee Bank	XXX	403,590	330,000	412,365	401,352		(2,102)		(2,102)		399,250		4,340	4,340	11,183	02/01/2028	1FE
366155-M8-9	GARLAND TEX INDPT SCH DIST		04/03/2019	First Tennessee Bank	XXX	585,600	500,000	626,970	594,760		(3,791)		(3,791)		590,969		(5,369)	(5,369)	15,972	02/15/2026	1FE
61366A-BP-1	MONTGOMERY CNTY TENN		04/03/2019	First Tennessee Bank	XXX	487,720	400,000	506,432	493,207		(2,694)		(2,694)		490,513		(2,793)	(2,793)	10,222	04/01/2028	1FE
795676-LQ-6	SALT LAKE CNTY UTAH		06/15/2019	Call @ 100.00	XXX	485,000	485,000	485,723	485,043		(43)		(43)		485,000			.0	11,034	12/15/2020	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						1,961,910	1,715,000	2,031,489	1,974,362	0	(8,630)	0	(8,630)	0	1,965,732	0	(3,822)	(3,822)	48,412	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
052476-T9-9	AUSTIN TEX WTR & WASTEWATER SYS REV		04/04/2019	DAVIDSON (D.A.) & CO. INC	XXX	477,160	400,000	494,808	483,740		(2,630)		(2,630)		481,110		(3,950)	(3,950)	7,944	11/15/2029	1FE
10901R-BJ-7	BRIER CREEK SCH BLDG CORP IND		04/03/2019	First Tennessee Bank	XXX	445,400	400,000	472,924	455,589		(1,922)		(1,922)		453,667		(8,267)	(8,267)	11,556	01/15/2026	1FE
250139-DZ-2	DES MOINES IOWA STORMWATER MGMT UTIL REV		04/04/2019	DAVIDSON (D.A.) & CO. INC	XXX	388,200	400,000	396,184	396,944		89		89		397,033		(8,833)	(8,833)	2,822	06/01/2027	1FE
3128P8-GM-7	FH C92004 - RMBS		06/01/2019	Paydown	XXX	29,743	29,743	30,766		(1,022)			(1,022)		29,743			.0	228	07/01/2038	1
3128Q0-N9-4	FH J19416 - RMBS		06/01/2019	Paydown	XXX	7,201	7,201	7,399	7,347		(146)		(146)		7,201		.0	.0	309	06/01/2027	1
3128S2-Q0-7	FH T61363 - RMBS		06/01/2019	Paydown	XXX	1,051	1,051	1,100	1,103		(52)		(52)		1,051		.0	.0	253	09/01/2042	1
31326F-Y9-3	FH 2B1636 - RMBS		06/01/2019	Paydown	XXX	10,110	10,110	9,882	10,103		.7		.7		10,110		.0	.0	374	08/01/2043	1
3136A1-4P-7	FNR 11117C MA - CMO/RMBS		06/01/2019	Paydown	XXX	8,124	8,124	8,144	8,137		(13)		(13)		8,124		.0	.0	218	08/25/2040	1
3136A2-VK-6	FNR 11126A AD - CMO/RMBS		06/01/2019	Paydown	XXX	3,602	3,602	3,602	3,596		.6		.6		3,602		.0	.0	180	06/25/2040	1
3136AE-Z4-2	FNR 1370C VA - CMO/RMBS		06/01/2019	Paydown	XXX	11,280	11,280	11,858	11,669		(389)		(389)		11,280		.0	.0	390	08/25/2026	1
3136AV-UL-1	FNR 1712B TA - CMO/RMBS		06/01/2019	Paydown	XXX	20,118	20,118	20,043		75			75		20,118		.0	.0	121	04/25/2042	1
3136AW-BD-8	FNR 1725A QH - CMO/RMBS		06/01/2019	Paydown	XXX	16,462	16,462	16,390		72			72		16,462		.0	.0	59	04/25/2047	1
3137AP-BD-1	FHR 4033B EB - CMO/RMBS		06/01/2019	Paydown	XXX	10,828	10,828	10,801	10,808		19		19		10,828		.0	.0	272	10/15/2036	1
3137BY-L3-2	FHR 4683C PD - CMO/RMBS		06/01/2019	Paydown	XXX	16,080	16,080	16,040		40			40		16,080		.0	.0	71	04/15/2046	1
3137F1-VB-1	FHR 4700C VH - CMO/RMBS		06/01/2019	Paydown	XXX	9,904	9,904	10,220	10,185		(281)		(281)		9,904		.0	.0	264	12/15/2028	1
3137F3-7A-6	FHR 4766A GO - CMO/RMBS		06/01/2019	Paydown	XXX	32,113	32,113	32,354	32,336		(223)		(223)		32,113		.0	.0	598	03/15/2044	1
3137F3-BA-1	FHR 4768A AV - CMO/RMBS		06/01/2019	Paydown	XXX	7,583	7,583	7,837		(254)			(254)		7,583		.0	.0	33	05/15/2029	1
3137F3-JK-1	FHR 4768J VL - CMO/RMBS		06/01/2019	Paydown	XXX	7,788	7,788	8,188	8,158		(369)		(369)		7,788		.0	.0	229	01/15/2031	1
3137F3-QF-4	FHR 4764D CJ - CMO/RMBS		06/01/2019	Paydown	XXX	25,725	25,725	26,577	26,456		(731)		(731)		25,725		.0	.0	654	06/15/2045	1
3137F3-X4-1	FHR 4764K XV - CMO/RMBS		06/01/2019	Paydown	XXX	8,461	8,461	8,730		(270)			(270)		8,461		.0	.0	37	03/15/2031	1
3137F4-YP-1	FHR 4791G AE - CMO/RMBS		06/01/2019	Paydown	XXX	13,221	13,221	13,349	13,342		(121)		(121)		13,221		.0	.0	293	04/15/2031	1
3137F5-AQ-2	FHR 4792B DA - CMO/RMBS		06/01/2019	Paydown	XXX	38,403	38,403	39,255		(852)			(852)		38,403		.0	.0	194	08/15/2042	1
31381P-C9-7	FN 466396 - CMBS/RMBS		06/01/2019	Paydown	XXX	1,583	1,583	1,586		.0			.0		1,583		.0	.0	66	11/01/2020	1
3138LL-TH-8	FN AN7751 - CMBS/RMBS		06/01/2019	Paydown	XXX	1,717	1,717	1,633		83			83		1,717		.0	.0	26	12/01/2029	1
31416X-HY-9	FN AB2046 - RMBS		06/01/2019	Paydown	XXX	8,772	8,772	8,624		114			114		8,772		.0	.0	322	01/01/2026	1
31418A-LY-2	FN MA1242 - RMBS		06/01/2019	Paydown	XXX	2,061	2,061	2,153	2,156		(95)		(95)		2,061		.0	.0	229	11/01/2042	1
31418A-V5-4	FN MA1535 - RMBS		06/01/2019	Paydown	XXX	10,161	10,161	10,156		.5			.5		10,161		.0	.0	250	08/01/2023	1
31418A-WS-3	FN MA1556 - RMBS		06/01/2019	Paydown	XXX	5,061	5,061	5,023		24			24		5,061		.0	.0	195	08/01/2028	1
31418C-SA-8	FN MA3540 - RMBS		06/01/2019	Paydown	XXX	22,292	22,292	22,863		(571)			(571)		22,292		.0	.0	104	12/01/2033	1
579160-MF-6	MC ALLEN TEX WTRNKS & SWR SYS REV		04/04/2019	DAVIDSON (D.A.) & CO. INC	XXX	330,135	300,000	349,617	336,704		(1,395)		(1,395)		335,309		(5,174)	(5,174)	8,233	02/01/2027	1FE
68611R-BD-9	OREM UTAH WTR & STORM SWR REV		04/03/2019	First Tennessee Bank	XXX	448,200	400,000	473,208	455,778		(2,095)		(2,095)		453,683		(5,483)	(5,483)	11,556	07/15/2026	1FE
79642B-HS-5	SAN ANTONIO TEX WTR REV		06/25/2019	Call @ 100.00	XXX	400,000	400,000	452,000	404,299		(4,299)		(4,299)		400,000			.0	13,134	05/15/2024	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						2,818,539	2,629,444	2,973,313	2,705,520	0	(17,196)	0	(17,196)	0	2,850,247	0	(31,707)	(31,707)	61,214	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
58013W-EQ-3	MCDONALDS CORPMCDYUSUS		05/29/2019	Maturity @ 100.00	XXX	400,000	400,000	410,760	400,754		(754)		(754)		400,0						

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 4

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

[illegible]

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

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE E - PART 1 - CASH

[illegible]

STATEMENT AS OF JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

[illegible]

E13



SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

NAIC Group Code 00207 Year To Date For The Period Ended 2019 NAIC Company Code 26131

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

1. Monoline Policies

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

2. Commercial Multiple Peril (CMP) Packaged Policies

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

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

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

2.31 Amount quantified:

\$ 2,989

2.32 Amount estimated using reasonable assumptions:

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

\$ 0