



ANNUAL STATEMENT  
For the Year Ended December 31, 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	2865 Benden Drive			Wooster, OH, US 44691-0000		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	2865 Benden Drive			Wooster, OH, US 44691-0000		330-262-9060
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Mail Address	2865 Benden Drive			Wooster, OH, US 44691-0000		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	2865 Benden Drive			Wooster, OH, US 44691-0000		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 of .....Ohio.....  
County of .....Wayne.....

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	a. Is this an original filing? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [ X ] No [ ]
Subscribed and sworn to before me this 19th day of February, 2020			

Lauresa Durham, Notary Public  
July 30, 2021

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	114,455,403	0	114,455,403	112,517,295
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	58,180,317	387,233	57,793,084	49,333,533
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....	8,746,717	0	8,746,717	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 (\$ .....(19,736,504) , Schedule E-Part 1), cash equivalents (\$ .....5,367,731 , Schedule E-Part 2) and short-term investments (\$ .....0 , Schedule DA).....	(14,368,773)	0	(14,368,773)	(17,504,315)
6. Contract loans (including \$ ..... premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA) .....	14,895,283	1,386,398	13,508,885	13,132,423
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	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) .....	181,908,947	1,773,631	180,135,316	166,647,526
13. Title plants less \$ ..... charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued .....	1,128,885	0	1,128,885	1,178,721
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	17,648,378	174,050	17,474,328	17,385,812
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....	7,622,197	0	7,622,197	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 .....	23,211	0	23,211	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 .....	1,051,365	0	1,051,365	383,310
18.2 Net deferred tax asset.....	2,955,811	0	2,955,811	4,445,415
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software.....	32,469,006	30,803,805	1,665,200	2,177,242
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	847,110	847,110	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 .....	39,117	0	39,117	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).....	245,694,027	33,598,597	212,095,430	200,243,873
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	245,694,027	33,598,597	212,095,430	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 Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	33,569,225	30,598,483
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	5,982,552	6,049,461
4. Commissions payable, contingent commissions and other similar charges .....	2,722,598	3,059,299
5. Other expenses (excluding taxes, licenses and fees) .....	3,541,406	3,654,979
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,062,148	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 (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....2,044,723 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) .....	42,014,212	40,788,926
10. Advance premium .....	665,277	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) .....	443,379	268,699
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....	0	0
14. Amounts withheld or retained by company for account of others .....	1,063,953	824,740
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 3, Column 78) .....	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 .....	672,343	861,468
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	91,737,093	87,718,458
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	91,737,093	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) .....	120,358,337	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) (Page 4, Line 39) .....	120,358,337	112,525,414
38. Totals (Page 2, Line 28, Col. 3)	212,095,430	200,243,873
DETAILS OF WRITE-INS		
2501. Other Liabilities.....	672,343	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)	672,343	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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4) .....	87,659,830	86,235,181
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7) .....	52,672,048	44,449,513
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	8,021,997	8,519,883
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	28,995,180	28,781,311
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	89,689,225	81,750,707
7. Net income of protected cells .....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(2,029,395)	4,484,474
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	4,498,125	4,074,465
10. Net realized capital gains (losses) less capital gains tax of \$ ..... 6,605 (Exhibit of Capital Gains (Losses)) .....	24,846	2,458,349
11. Net investment gain (loss) (Lines 9 + 10) .....	4,522,971	6,532,814
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... 85,515 ) .....	(85,515)	(86,881)
13. Finance and service charges not included in premiums .....	1,234,068	1,172,538
14. Aggregate write-ins for miscellaneous income .....	1,429	5,054
15. Total other income (Lines 12 through 14) .....	1,149,982	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) .....	3,643,558	12,107,999
17. Dividends to policyholders .....	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) .....	3,643,558	12,107,999
19. Federal and foreign income taxes incurred .....	(14,660)	1,824,152
20. Net income (Line 18 minus Line 19) (to Line 22) .....	3,658,218	10,283,847
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	112,525,414	115,725,610
22. Net income (from Line 20) .....	3,658,218	10,283,847
23. Net transfers (to) from Protected Cell accounts .....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ ..... 2,264,936 .....	8,520,472	(7,775,686)
25. Change in net unrealized foreign exchange capital gain (loss) .....	0	0
26. Change in net deferred income tax .....	775,332	1,197,448
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....	(5,121,098)	(6,905,806)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	0	0
29. Change in surplus notes .....	0	0
30. Surplus (contributed to) withdrawn from protected cells .....	0	0
31. Cumulative effect of changes in accounting principles .....	0	0
32. Capital changes:		
32.1 Paid in .....	0	0
32.2 Transferred from surplus (Stock Dividend) .....	0	0
32.3 Transferred to surplus .....	0	0
33. Surplus adjustments:		
33.1 Paid in .....	0	0
33.2 Transferred to capital (Stock Dividend) .....	0	0
33.3 Transferred from capital .....	0	0
34. Net remittances from or (to) Home Office .....	0	0
35. Dividends to stockholders .....	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....	0	0
37. Aggregate write-ins for gains and losses in surplus .....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	7,832,923	(3,200,196)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	120,358,337	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
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0
1401. Other Income .....	1,429	5,054
1402. ....	0	0
1403. ....	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	1,429	5,054
3701. ....	0	0
3702. ....	0	0
3703. ....	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	89,150,993	98,316,767
2. Net investment income .....	5,635,627	5,161,167
3. Miscellaneous income .....	1,149,982	1,090,710
4. Total (Lines 1 through 3) .....	95,936,602	104,568,645
5. Benefit and loss related payments .....	49,533,274	46,832,195
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	37,488,248	36,206,368
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	660,000	2,300,000
10. Total (Lines 5 through 9) .....	87,681,522	85,338,563
11. Net cash from operations (Line 4 minus Line 10) .....	8,255,080	19,230,082
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	15,531,976	11,801,245
12.2 Stocks .....	1,923,055	7,063,726
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	155,632	0
12.5 Other invested assets .....	310,402	568,907
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	17,921,065	19,433,879
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	18,169,000	15,648,688
13.2 Stocks .....	97,365	4,593,052
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	11,270	2,382,475
13.5 Other invested assets .....	250,000	3,050,000
13.6 Miscellaneous applications .....	0	68
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	18,527,634	25,674,283
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(606,569)	(6,240,405)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	(4,512,969)	(6,282,287)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(4,512,969)	(6,282,287)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	3,135,542	6,707,390
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	(17,504,315)	(24,211,705)
19.2 End of year (Line 18 plus Line 19.1) .....	(14,368,773)	(17,504,315)

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	1,257,826	.648,367	.660,788	1,245,405
2.	Allied lines .....	.574,617	.355,441	.362,228	.567,830
3.	Farmowners multiple peril .....	.8,283,161	.4,235,049	.4,318,378	.8,199,832
4.	Homeowners multiple peril .....	20,106,581	11,162,024	11,267,048	20,001,557
5.	Commercial multiple peril .....	11,873,854	.5,602,864	.6,060,848	11,415,870
6.	Mortgage guaranty .....	.0	.0	.0	.0
8.	Ocean marine .....	.0	.0	.0	.0
9.	Inland marine .....	1,205,847	.526,859	.612,134	1,120,572
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 (group and individual) .....	.0	.0	.0	.0
15.	Other accident and health .....	.0	.0	.0	.0
16.	Workers' compensation .....	.475,357	.251,074	.289,126	.437,305
17.1	Other liability-occurrence .....	.619,815	.317,452	.343,974	.593,293
17.2	Other liability-claims-made .....	16,289	.7,746	.9,133	14,902
17.3	Excess workers' compensation.....	.0	.0	.0	.0
18.1	Products liability-occurrence .....	.59,445	.30,558	.32,355	.57,648
18.2	Products liability-claims-made .....	.0	.0	.0	.0
19.1,19.2	Private passenger auto liability .....	20,449,206	.8,018,298	.8,013,453	20,454,051
19.3,19.4	Commercial auto liability .....	.5,039,366	.2,127,335	.2,474,128	.4,692,573
21.	Auto physical damage .....	18,771,516	.7,436,738	.7,495,070	18,713,184
22.	Aircraft (all perils) .....	.0	.0	.0	.0
23.	Fidelity .....	.0	.0	.0	.0
24.	Surety .....	.0	.0	.0	.0
26.	Burglary and theft .....	.36,311	.17,858	.18,841	.35,328
27.	Boiler and machinery .....	.115,925	.51,263	.56,708	.110,480
28.	Credit .....	.0	.0	.0	.0
29.	International .....	.0	.0	.0	.0
30.	Warranty .....	.0	.0	.0	.0
31.	Reinsurance-nonproportional assumed property .....	.0	.0	.0	.0
32.	Reinsurance-nonproportional assumed liability .....	.0	.0	.0	.0
33.	Reinsurance-nonproportional assumed financial lines .....	.0	.0	.0	.0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0
35.	TOTALS	88,885,116	40,788,926	42,014,212	87,659,830
DETAILS OF WRITE-INS					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3  Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....	.660,788				.660,788
2.	Allied lines .....	.362,228				.362,228
3.	Farmowners multiple peril .....	4,318,378				4,318,378
4.	Homeowners multiple peril .....	11,267,048				11,267,048
5.	Commercial multiple peril .....	6,060,848				6,060,848
6.	Mortgage guaranty .....					.0
8.	Ocean marine .....					.0
9.	Inland marine .....	.612,134				.612,134
10.	Financial guaranty .....					.0
11.1	Medical professional liability-occurrence .....					.0
11.2	Medical professional liability-claims-made .....					.0
12.	Earthquake .....					.0
13.	Group accident and health .....					.0
14.	Credit accident and health (group and individual) ...					.0
15.	Other accident and health .....					.0
16.	Workers' compensation .....	.289,126				.289,126
17.1	Other liability-occurrence .....	.343,974				.343,974
17.2	Other liability-claims-made .....	.9,133				.9,133
17.3	Excess workers' compensation .....					.0
18.1	Products liability-occurrence .....	.32,355				.32,355
18.2	Products liability-claims-made .....					.0
19.1,19.2	Private passenger auto liability .....	8,013,453				8,013,453
19.3,19.4	Commercial auto liability .....	2,474,128				2,474,128
21.	Auto physical damage .....	7,495,070				7,495,070
22.	Aircraft (all perils) .....					.0
23.	Fidelity .....					.0
24.	Surety .....					.0
26.	Burglary and theft .....	18,841				18,841
27.	Boiler and machinery .....	56,708				56,708
28.	Credit .....					.0
29.	International .....					.0
30.	Warranty .....					.0
31.	Reinsurance-nonproportional assumed property ....					.0
32.	Reinsurance-nonproportional assumed liability .....					.0
33.	Reinsurance-nonproportional assumed financial lines .....					.0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0
35.	TOTALS	42,014,212	0	0	0	42,014,212
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Lines 35 through 37)					42,014,212
DETAILS OF WRITE-INS						
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire .....	3,074,831	1,257,826		3,064,554	10,277	1,257,826
2.	Allied lines .....	1,684,942	574,617		1,395,731	289,211	574,617
3.	Farmowners multiple peril .....	0	8,283,161		0		8,283,161
4.	Homeowners multiple peril .....	31,063,293	20,106,581		28,403,729	2,659,564	20,106,581
5.	Commercial multiple peril .....	16,694,433	11,873,854		16,240,315	454,118	11,873,854
6.	Mortgage guaranty .....						0
8.	Ocean marine .....						0
9.	Inland marine .....	1,428,036	1,205,847		1,401,590	26,446	1,205,847
10.	Financial guaranty .....						0
11.1	Medical professional liability-occurrence .....						0
11.2	Medical professional liability-claims-made .....						0
12.	Earthquake .....						0
13.	Group accident and health .....						0
14.	Credit accident and health (group and individual) .....						0
15.	Other accident and health .....						0
16.	Workers' compensation .....	1,505,539	475,357		1,188,393	317,146	475,357
17.1	Other liability-occurrence .....	4,108,463	619,815		1,322,630	2,785,833	619,815
17.2	Other liability-claims-made .....	28,882	16,289		7,512	21,370	16,289
17.3	Excess workers' compensation .....						0
18.1	Products liability-occurrence .....	113,878	59,445		113,473	405	59,445
18.2	Products liability-claims-made .....						0
19.1,19.2	Private passenger auto liability .....	17,903,135	20,449,206		17,898,209	4,926	20,449,206
19.3,19.4	Commercial auto liability .....	5,949,073	5,039,366		5,943,417	5,656	5,039,366
21.	Auto physical damage .....	18,017,593	18,771,516		17,722,614	294,979	18,771,516
22.	Aircraft (all perils) .....						0
23.	Fidelity .....						0
24.	Surety .....						0
26.	Burglary and theft .....	33,163	36,311		32,427	736	36,311
27.	Boiler and machinery .....	428,557	115,925		74,068	354,489	115,925
28.	Credit .....						0
29.	International .....						0
30.	Warranty .....						0
31.	Reinsurance-nonproportional assumed property .....	XXX					0
32.	Reinsurance-nonproportional assumed liability .....	XXX					0
33.	Reinsurance-nonproportional assumed financial lines .....	XXX					0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
35.	TOTALS	102,033,818	88,885,116	0	94,808,662	7,225,156	88,885,116
DETAILS OF WRITE-INS							
3401.	.....						
3402.	.....						
3403.	.....						
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

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

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



ANNUAL STATEMENT FOR THE YEAR 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire .....	470,420	188,168	470,420	188,168	7,847	61,144	134,871	10.8
2.	Allied lines .....	1,559,945	630,886	1,559,945	630,886	162,175	204,396	588,665	103.7
3.	Farmowners multiple peril .....		3,839,001		3,839,001	1,417,608	1,232,853	4,023,756	49.1
4.	Homeowners multiple peril .....	17,870,013	12,705,368	17,870,013	12,705,368	3,728,100	2,894,452	13,539,016	67.7
5.	Commercial multiple peril .....	4,153,328	4,618,935	4,153,328	4,618,935	4,077,929	4,091,941	4,604,923	40.3
6.	Mortgage guaranty .....				0	0	0	0	0.0
8.	Ocean marine .....				0	0	0	0	0.0
9.	Inland marine .....	207,140	146,196	207,140	146,196	19,240	15,127	150,309	13.4
10.	Financial guaranty .....				0	0	0	0	0.0
11.1	Medical professional liability-occurrence .....				0	0	0	0	0.0
11.2	Medical professional liability-claims-made .....				0	0	0	0	0.0
12.	Earthquake .....				0	0	0	0	0.0
13.	Group accident and health .....				0	0	0	0	0.0
14.	Credit accident and health (group and individual) .....				0	0	0	0	0.0
15.	Other accident and health .....				0	0	0	0	0.0
16.	Workers' compensation .....	1,299,566	519,826	1,299,566	519,826	747,786	366,881	900,731	206.0
17.1	Other liability-occurrence .....	155,763	36,363	155,763	36,363	526,538	477,636	85,265	14.4
17.2	Other liability-claims-made .....				0	0	0	0	0.0
17.3	Excess workers' compensation .....				0	0	0	0	0.0
18.1	Products liability-occurrence .....	200	80	200	80	30,000	36,400	(6,320)	(11.0)
18.2	Products liability-claims-made .....				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability .....	11,737,410	12,318,291	11,737,410	12,318,291	15,472,371	14,799,015	12,991,647	63.5
19.3,19.4	Commercial auto liability .....	2,578,781	2,725,335	2,578,781	2,725,335	5,906,101	4,880,097	3,751,339	79.9
21.	Auto physical damage .....	10,430,537	11,973,657	10,430,537	11,973,657	1,473,530	1,538,541	11,908,646	63.6
22.	Aircraft (all perils) .....				0	0	0	0	0.0
23.	Fidelity .....				0	0	0	0	0.0
24.	Surety .....				0	0	0	0	0.0
26.	Burglary and theft .....	(2,000)	(800)	(2,000)	(800)	0	0	(800)	(2.3)
27.	Boiler and machinery .....	116,095	0	116,095		0	0	0	0.0
28.	Credit .....				0	0	0	0	0.0
29.	International .....				0	0	0	0	0.0
30.	Warranty .....				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property .....	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability .....	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines .....	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0.0
35.	TOTALS .....	50,577,198	49,701,306	50,577,198	49,701,306	33,569,225	30,598,483	52,672,048	60.1
DETAILS OF WRITE-INS									
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

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

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire .....	19,618	7,847	19,618	7,847		0		7,847	0
2.	Allied lines .....	128,725	29,463	128,725	29,463	413,130	132,712	413,130	162,175	46,624
3.	Farmowners multiple peril .....	0	1,157,132	0	1,157,132	0	260,476	0	1,417,608	266,792
4.	Homeowners multiple peril .....	6,488,912	3,425,526	6,488,912	3,425,526	272,362	302,574	272,362	3,728,100	600,056
5.	Commercial multiple peril .....	4,649,358	3,202,977	4,649,358	3,202,977	2,433,513	874,952	2,433,513	4,077,929	1,745,620
6.	Mortgage guaranty .....				0				0	
8.	Ocean marine .....				0				0	
9.	Inland marine .....		19,240		19,240				19,240	
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				(a)	0
14.	Credit accident and health (group and individual) .....				0				0	
15.	Other accident and health .....				0				(a)	0
16.	Workers' compensation .....	1,511,410	604,564	1,511,410	604,564	474,203	143,222	474,203	747,786	80,260
17.1	Other liability-occurrence .....	1,443,004	339,876	1,443,004	339,876	1,400,858	186,662	1,400,858	526,538	194,209
17.2	Other liability-claims-made .....				0				0	
17.3	Excess workers' compensation .....				0				0	
18.1	Products liability-occurrence .....		30,000		30,000				30,000	
18.2	Products liability-claims-made .....				0				0	
19.1,19.2	Private passenger auto liability .....	14,995,639	14,819,957	14,995,639	14,819,957	853,320	652,414	853,320	15,472,371	1,739,948
19.3,19.4	Commercial auto liability .....	4,336,793	3,942,687	4,336,793	3,942,687	2,304,286	1,963,414	2,304,286	5,906,101	881,038
21.	Auto physical damage .....	1,009,601	988,259	1,009,601	988,259	508,257	485,271	508,257	1,473,530	428,005
22.	Aircraft (all perils) .....				0				0	
23.	Fidelity .....				0				0	
24.	Surety .....				0				0	
26.	Burglary and theft .....				0				0	
27.	Boiler and machinery .....	4,000		4,000	0				0	
28.	Credit .....				0				0	
29.	International .....				0				0	
30.	Warranty .....				0				0	
31.	Reinsurance-nonproportional assumed property .....	XXX			0	XXX			0	
32.	Reinsurance-nonproportional assumed liability .....	XXX			0	XXX			0	
33.	Reinsurance-nonproportional assumed financial lines .....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0	0
35.	TOTALS .....	34,587,060	28,567,528	34,587,060	28,567,528	8,659,929	5,001,697	8,659,929	33,569,225	5,982,552
DETAILS OF WRITE-INS										
3401.	.....									
3402.	.....									
3403.	.....									
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above) .....	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct .....	1,724,238	0	0	1,724,238
1.2 Reinsurance assumed .....	0	0	0	0
1.3 Reinsurance ceded .....	15,735	0	0	15,735
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	1,708,503	0	0	1,708,503
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....	0	14,254,606	0	14,254,606
2.2 Reinsurance assumed, excluding contingent .....	0	0	0	0
2.3 Reinsurance ceded, excluding contingent .....	0	955,562	0	955,562
2.4 Contingent-direct .....	0	1,452,388	0	1,452,388
2.5 Contingent-reinsurance assumed .....	0	0	0	0
2.6 Contingent-reinsurance ceded .....	0	9,237	0	9,237
2.7 Policy and membership fees .....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	14,742,194	0	14,742,194
3. Allowances to manager and agents .....	69,880	163,053	0	232,932
4. Advertising .....	14,459	54,119	56	68,633
5. Boards, bureaus and associations .....	80,592	350,657	14,276	445,524
6. Surveys and underwriting reports .....	0	1,005,958	0	1,005,958
7. Audit of assureds' records .....	0	0	0	0
8. Salary and related items:				
8.1 Salaries .....	3,624,967	5,629,013	426,889	9,680,869
8.2 Payroll taxes .....	230,522	363,182	26,931	620,635
9. Employee relations and welfare .....	612,988	1,017,925	56,952	1,687,865
10. Insurance .....	9,580	13,694	65,614	88,888
11. Directors' fees .....	60,393	60,393	60,393	181,180
12. Travel and travel items .....	82,727	180,311	23,454	286,491
13. Rent and rent items .....	1,666	363,564	(841)	364,389
14. Equipment .....	218,208	368,144	162,968	749,320
15. Cost or depreciation of EDP equipment and software .....	836,738	1,268,390	70,133	2,175,261
16. Printing and stationery .....	23,498	66,024	905	90,427
17. Postage, telephone and telegraph, exchange and express .....	146,226	288,006	4,541	438,773
18. Legal and auditing .....	299,069	1,497,318	220,164	2,016,552
19. Totals (Lines 3 to 18) .....	6,311,513	12,689,753	1,132,433	20,133,699
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....	0	1,182,059	0	1,182,059
20.2 Insurance department licenses and fees .....	0	365,676	0	365,676
20.3 Gross guaranty association assessments .....	0	0	0	0
20.4 All other (excluding federal and foreign income and real estate) .....	0	13,594	0	13,594
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	1,561,329	0	1,561,329
21. Real estate expenses .....	0	0	379,225	379,225
22. Real estate taxes .....	0	0	176,763	176,763
23. Reimbursements by uninsured plans .....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses .....	1,982	1,905	1,142	5,029
25. Total expenses incurred .....	8,021,997	28,995,180	1,689,563	(a) 38,706,740
26. Less unpaid expenses-current year .....	5,982,552	7,245,387	80,765	13,308,704
27. Add unpaid expenses-prior year .....	6,049,461	7,649,588	74,219	13,773,268
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	8,088,906	29,399,381	1,683,017	39,171,304
DETAILS OF WRITE-INS				
2401. Charitable Donations.....	1,982	1,905	1,142	5,029
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	1,982	1,905	1,142	5,029

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a).....199,688	.....208,622
1.1	Bonds exempt from U.S. tax .....	(a).....1,152,858	.....1,081,672
1.2	Other bonds (unaffiliated) .....	(a).....1,949,862	.....1,935,593
1.3	Bonds of affiliates .....	(a).....0	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....0	.....
2.11	Preferred stocks of affiliates .....	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....1,581,649	.....1,577,713
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....624,996	.....624,996
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e).....152,282	.....155,051
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....845,591	.....873,444
9.	Aggregate write-ins for investment income .....	.....8,108	.....8,108
10.	Total gross investment income .....	6,515,034	6,465,198
11.	Investment expenses .....		(g).....1,689,563
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g).....
13.	Interest expense .....		(h).....
14.	Depreciation on real estate and other invested assets .....		(i).....277,510
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....1,967,073
17.	Net investment income (Line 10 minus Line 16) .....		4,498,125
DETAILS OF WRITE-INS			
0901.	BMO: Pyrford Itl Stk;l.....	.....808	.....808
0902.	Diamond Hill Sm Cap;l.....	.....	.....
0903.	Eaton Vance Institutional Senior Loan Fund.....	.....4,349	.....4,349
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....2,951	.....2,951
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	8,108	8,108
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) .....		0

(a) Includes \$ .....38,129 accrual of discount less \$ .....841,738 amortization of premium and less \$ .....28,718 paid for accrued interest on purchases.  
(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ .....0 paid for accrued dividends on purchases.  
(c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
(e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
(g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....99,071	.....	.....99,071	.....(1,833)	.....
1.1	Bonds exempt from U.S. tax .....	.....(35,529)	.....	.....(35,529)	.....	.....
1.2	Other bonds (unaffiliated) .....	.....(13,863)	.....	.....(13,863)	.....56,847	.....
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....1,399,701	.....0	.....1,399,701	.....8,885,539	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....50,422	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....0	.....0	.....0
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....0	.....(1,417,931)	.....(1,417,931)	.....1,794,394	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	1,449,380	(1,417,931)	31,449	10,785,370	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	387,233	336,812	(50,422)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	1,386,398	1,446,799	60,401
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,773,631	1,783,611	9,979
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	174,050	116,267	(57,783)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software.....	30,803,805	25,615,778	(5,188,027)
21. Furniture and equipment, including health care delivery assets.....	847,110	961,842	114,732
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	33,598,597	28,477,498	(5,121,098)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	33,598,597	28,477,498	(5,121,098)
DETAILS OF WRITE-INS			
1101. ....		0	0
1102. ....		0	0
1103. ....		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Asset.....		0	0
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Western Reserve Mutual Casualty Insurance 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 or 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	\$ 3,658,218	\$ 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>\$ 3,658,218</u>	<u>\$ 10,283,847</u>
<u>SURPLUS</u>			
(5) WRMCC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 120,358,337	\$ 112,525,414
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(8) NAIC SAP (5-6-7=8)		<u>\$ 120,358,337</u>	<u>\$ 112,525,414</u>

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

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

C. Accounting Policy

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

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

In addition, the Company uses the following accounting policies:

- (1) Short—term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method; U.S. Treasury Inflation—Indexed bonds are stated at amortized cost adjusted for unrealized inflation factor gains. Bonds rated at 3 or below by the NAIC are stated at the lower of cost or fair market value.
- (3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis. Fair values were determined from year-end market valuation.
- (4) The Company has no preferred stocks.
- (5) The Company has no mortgage loans.
- (6) The Company has no loan—backed securities.
- (7) The Company carries investments in subsidiaries, Forward Agencies, Inc. and Western Reserve Financial Corporation, at statutory equity as reported on Schedule D; these assets are reported as nonadmitted on page 2, column 2.

## NOTES TO FINANCIAL STATEMENTS

(8) Other invested assets consist primarily of investments in limited liability companies. Underlying investments primarily include hedge funds, private equity funds and emerging market and private debt funds. Interests are reported using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Realized gains and losses are generally recognized through income at the time of disposal or when operating distributions are received.

(9) The Company has no derivatives.

(10) The Company does not utilize anticipated investment income in the premium deficiency calculation.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company has not modified its capitalization policy from the prior period.

(13) The Company has no pharmaceutical rebate receivables.

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.

D. Loan-Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

2. None.

3. None.

NOTES TO FINANCIAL STATEMENTS

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 | \$ | (18,592) |
| 2. 12 months or Longer | \$ | (10,138) |
- b. The aggregate related fair value of securities with unrealized losses:
- |                        |    |           |
|------------------------|----|-----------|
| 1. Less than 12 months | \$ | 4,071,395 |
| 2. 12 months or longer | \$ | 586,758   |
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.
- O. 5\* GI Securities  
Not applicable.
- P. Short Sales  
Not applicable.
- Q. Prepayment Penalty and Accelerated Fees
- |   |                        |                       |
|---|------------------------|-----------------------|
|   | <u>General Account</u> | <u>Protected Cell</u> |
| (1) Number of CUSIPS                      | 0                      | 0                     |
| (2) Aggregate Amount of Investment Income | \$ --                  | \$ --                 |



NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships, or Limited Liability Companies during the statement periods.

7. Investment Income

The Company has no uncollectible accrued investment income.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

- A. The components of the net deferred tax asset/(liability) at December 31, 2019 and December 31, 2018 are as follows:
- 1.

	12/31/2019		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 10,291,184	\$ 793,214	\$ 11,084,398
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	10,291,184	793,214	11,084,398
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	10,291,184	793,214	11,084,398
(f) Deferred Tax Liabilities	(1,733,650)	(6,394,934)	(8,128,587)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 8,557,534	\$ (5,601,723)	\$ 2,955,811

	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)	\$ 8,061,056	\$ (3,615,641)	\$ 4,445,415

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ 1,234,730	\$ 277,633	\$ 1,512,363
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	1,234,730	277,633	1,512,363
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	1,234,730	277,633	1,512,363
(f) Deferred Tax Liabilities	(738,252)	(2,263,715)	(3,001,967)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 496,478	\$ (1,986,082)	\$ (1,489,604)

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101

12/31/2019			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 515,190	\$ —	\$ 515,190
(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)	4,821,768	—	4,821,768
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	4,821,768	—	4,821,768
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	17,360,599
(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.	4,954,226	793,214	5,747,440
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 10,291,184	\$ 793,214	\$ 11,084,398
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.	330,713	515,581	846,294
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 9,056,454	\$ 515,581	\$ 9,572,035
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.	\$ (2,173,398)	\$ —	\$ (2,173,398)
(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)	(1,215,385)	—	(1,215,385)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(1,215,385)	—	(1,215,385)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	1,475,185
(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.	4,623,513	277,633	4,901,146
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 1,234,730	\$ 277,633	\$ 1,512,363

NOTES TO FINANCIAL STATEMENTS

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.	\$115,737,326	\$105,902,757

4. Impact of Tax-Planning Strategies

	12/31/2019	
	(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)	\$10,291,184	\$ 793,214
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)	\$10,291,184	\$ 793,214
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	
	(3)	(4)
	Ordinary	Capital
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 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)	\$ 1,234,730	\$ 277,633
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)	\$ 1,234,730	\$ 277,633
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>

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

## NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)
	12/31/2019	12/31/2018	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ (14,660)	\$ 1,824,152	\$ (1,838,812)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ (14,660)	\$ 1,824,152	\$ (1,838,812)
(d) Federal income tax on net capital gains	\$ 6,605	\$ 653,485	\$ (646,880)
(e) Utilization of operating loss carry-forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ (8,055)</u>	<u>\$ 2,477,637</u>	<u>\$ (2,485,692)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 462,014	\$ 432,985	\$ 29,029
(2) Unearned premium reserve	\$ 1,764,597	\$ 1,713,135	\$ 51,462
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed Assets/prepaid expense	\$ 6,937,836	\$ 5,884,982	\$ 1,052,854
(8) Compensation and benefits accrual	\$ 313,894	\$ 256,761	\$ 57,133
(9) Pension accrual	\$ 25,725	\$ 24,424	\$ 1,301
(10) Receivables – nonadmitted	\$ 36,551	\$ 24,416	\$ 12,135
(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	\$ 621,164	\$ 608,232	\$ 12,932
(15) Software capitalized	\$ 75,427	\$ 85,880	\$ (10,453)
(16) Other	<u>\$ 53,976</u>	<u>\$ 25,639</u>	<u>\$ 28,337</u>
(99) Subtotal	\$ 10,291,184	\$ 9,056,454	\$ 1,234,730
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 10,291,184</u>	<u>\$ 9,056,454</u>	<u>\$ 1,234,730</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	\$ 793,214	\$ 515,581	\$ 277,633
(6) Other	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(99) Subtotal	\$ 793,214	\$ 515,581	\$ 277,633
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 793,214</u>	<u>\$ 515,581</u>	<u>\$ 277,633</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 11,084,398</u>	<u>\$ 9,572,035</u>	<u>\$ 1,512,363</u>
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (452,562)	\$ (108,257)	\$ (344,305)
(2) Fixed assets	\$ (1,083,014)	\$ (667,870)	\$ (415,144)
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Accumulated amortization software	\$ (39,791)	\$ (46,425)	\$ 6,634
(6) Discounting of unpaid losses	\$ (158,283)	\$ (172,846)	\$ 14,563
(7) Other (including items <5% of total ordinary tax liabilities):			
(8) Other	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(99) Subtotal	\$ (1,733,650)	\$ (995,398)	\$ (738,252)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	<u>\$ (6,394,937)</u>	<u>\$ (4,131,222)</u>	<u>\$ (2,263,715)</u>
(99) Subtotal	<u>\$ (6,394,937)</u>	<u>\$ (4,131,222)</u>	<u>\$ (2,263,715)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (8,128,587)</u>	<u>\$ (5,126,620)</u>	<u>\$ (3,001,967)</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ 2,955,811</u>	<u>\$ 4,445,415</u>	<u>\$ (1,489,604)</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>12/31/2019</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 766,534	21.0%
Tax exempt interest	(170,363)	(4.6%)
Dividends received deduction	(80,042)	(2.2%)
Change in deferred tax on nonadmitted assets	(1,064,988)	(29.2%)
Other	(233,308)	(6.4%)
Total	<u>\$ (782,167)</u>	<u>(21.4%)</u>
Federal and foreign income taxes incurred	\$ (14,660)	(0.4%)
Tax on capital gains (losses)	6,605	0.2%
Change in net deferred income taxes	(774,112)	(21.2%)
Total	<u>\$ (782,167)</u>	<u>(21.4%)</u>

- E. Carry-forwards, recoverable taxes, and IRC §6603 deposits:
- (1) As of December 31, 2019, the Company had no net operating loss or net capital loss carry-forwards available for tax purposes.  
As of December 31, 2019, the Company had no alternative minimum tax (AMT) credit carry-forwards.
  - (2) As of December 31, 2019, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$1,226,399.
  - (3) The Company has no deposits reported as admitted assets under IRC §6603 as December 31, 2019.
- F. The Company files an individual federal income tax return.
- G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.
- H. The Company is not subject to the Repatriation Transition Tax.
- I. The Company has not recorded an Alternative Minimum Tax Credit.

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At December 31, 2019 and 2018 there were intercompany receivables of \$39,117 and \$37,314, respectively, due from its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. The Company (WRMCC) participates in a pooling agreement with Lightning Rod Mutual Insurance Company, (LRMIC) and Sonnenberg Mutual Insurance Company (SMIC), whereby net premiums, losses, underwriting expenses and related balance sheet amounts (except premiums receivable) are shared on a 40% / 55% / 5% basis, respectively. LRMIC assumes 100% of the business from WRMCC and SMIC and cedes 40% to WRMCC and 5% to SMIC.
- G. The Company owns 50% of Forward Agencies, Inc., an insurance agency. The stock is carried at \$346,008 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 97, this subsidiary has been non-admitted.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. The Company owns 40% percent of Western Reserve Financial Corporation, an inactive holding company. The stock is carried at \$41,225 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 97, this subsidiary has been non-admitted.

NOTES TO FINANCIAL STATEMENTS

M. All SCA Investments

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities None	N/A	\$ --	\$ --	\$ --
Total SSAP No. 97 8a Entities	XXX	\$ --	\$ --	\$ --
b. SSAP No. 97 8b(ii) Entities None	N/A	\$ --	\$ --	\$ --
Total SSAP No. 97 8b(ii) Entities	XXX	\$ --	\$ --	\$ --
c. SSAP No. 97 8b(iii) Entities  Forward Agencies, Inc. Western Reserve Financial Corp.	50% <u>40%</u>	\$ 346,008 <u>41,225</u>	\$ -- <u>    </u>	\$ 346,008 <u>41,225</u>
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 387,233	\$ --	\$ 387,233
d. SSAP No. 97 8b(iv) Entities None	N/A	\$ --	\$ --	\$ --
Total SSAP No. 97 8b(iv) Entities	XXX	\$ --	\$ --	\$ --
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	\$ 387,233	\$ --	\$ 387,233
f. Aggregate Total (a+e)	XXX	\$ 387,233	\$ --	\$ 387,233

2) NAIC Filing Response Information

SCA Entity	Type of NAIC Filing	Date of Filing to NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities None			\$ --			
Total SSAP No. 97 8a Entities			\$ --			
b. SSAP No. 97 8b(ii) Entities None			\$ --			
Total SSAP No. 97 8b(ii) Entities			\$ --			
c. SSAP No. 97 8b(iii) Entities  Forward Agencies, Inc. Western Reserve Financial Corp.	Sub - 1 Sub - 1	11/10/2016 10/11/2017	\$ -- --	Y Y	N N	
Total SSAP No. 97 8b(iii) Entities			\$ --			
d. SSAP No. 97 8b(iv) Entities None			\$ --			
Total SSAP No. 97 8b(iv) Entities			\$ --			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)			\$ --			
f. Aggregate Total (a+e)			\$ --			

N. Investments in Insurance SCAs – Not applicable.

O. SCA Loss Tracking – Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 11. Debt

Not applicable.

### 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 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 December 31, 2019 and 2018, amounts held for these deferrals were \$0.9 million and \$0.7 million, respectively.

The Company also has a retiree healthcare plan that has been closed to new participants. The related liabilities and expenses of this plan are not material to the Company's financial position.

#### 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

The Company's employees are eligible to participate in a 401(k) plan sponsored by the Company after completion of three months of continuous service.

The Company matches a portion of employee contributions and may make additional discretionary contributions. The Company's contribution for the plan was \$0.3 million for 2019 and 2018, respectively. The fair value of the plan assets was \$44.4 million and \$35.7 million at December 31, 2019 and 2018, respectively.

#### 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 \$30.5 million and \$19.7 million at December 31, 2019 and 2018, respectively.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

### 14. Liabilities, Contingencies and Assessments

#### A. Contingent Commitments

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

B. Assessments

In the ordinary course of business, the Company receives notification of potential assessments as a result of the insolvency of insurance companies. It is expected that the insolvencies will result in a retrospective-based guaranty fund assessment against the company. The liabilities for known potential assessments are not considered material to the financial position of the Company.

C. Gain Contingencies

Not applicable.

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

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation are not considered material to the financial position of the Company.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Not applicable.

### 15. Leases

The Company's lease agreements are limited to office and electronic data processing equipment. Rent expense for the years ending December 31, 2019 and 2018 was not considered material to the Company's financial statements.

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

Not applicable.

### 17. Sale, Transfer and Servicing of Financial Assets and 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 December 31, 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	\$ 5,367,731	\$ --	\$ --	\$ --	\$ 5,367,731
Total Cash Equivalents	5,367,731	--	--	--	5,367,731
Common Stock:					
Mutual Funds	22,943,102	--	--	--	22,943,102
Industrial and Misc	34,723,134	--	126,848	--	34,849,982
Total Common Stocks	57,666,236	--	126,848	--	57,793,084
Bonds:					
Industrial and Misc	--	390,000	--	--	390,000
Total Bonds	--	390,000	--	--	390,000
Other Invested Assets	4,382,072	9,126,813	--	--	13,508,885
Total assets at fair value/NAV	\$ 67,416,039	\$ 9,516,813	\$ 126,848	\$ --	\$ 77,059,700
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 01/01/2019	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases (Sales)	Ending Balance at 12/31/2019
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 126,943	\$ —	\$ —	\$ (95)	\$ —	\$ 126,848
b. Liabilities:						
Not applicable.						

(3) As of December 31, 2019, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is comprised of 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	\$118,352,187	\$114,455,403	\$ 8,168,284	\$110,183,903	\$ --	\$ --	\$ --
Common Stock	57,793,084	57,793,084	57,666,236	--	126,848	--	--
Other Invested Assets	13,508,885	13,508,885	4,382,072	9,126,813	--	--	--
Cash Equivalents	5,367,731	5,367,731	5,367,731	--	--	--	--

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

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable.

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not applicable.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 28, 2020 for the statutory statement issued on February 28, 2020 for the year ending December 31, 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 February 28, 2020 for the statutory statement issued on February 28, 2020 for the year ending December 31, 2019. No Type II events were identified that would have a material effect on the financial condition of the Company.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

- A. Unsecured Reinsurance Recoverables  
Not applicable.
- B. Reinsurance Recoverable in Dispute  
Not applicable.
- C. Reinsurance Assumed and Ceded  
If the Company cancelled its umbrella reinsurance program, the return commission would not have a material impact on the financial condition of the Company.
- D. Uncollectible Reinsurance  
Not applicable.
- E. Commutation of Ceded Reinsurance  
Not applicable.
- F. Retroactive Reinsurance  
Not applicable.
- G. Reinsurance Accounted for as a Deposit  
Not applicable.
- H. 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, \$14.5 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 \$17.9 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 December 31, 2019. Favorable development in auto physical damage, commercial multi-peril, personal auto liability, and homeowner/farm owner lines of insurance, were offset, in part, by unfavorable development in workers' compensation 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

- |   |   |                   |                 |                   |   |       |       |   |       |       |                                     |       |      |
|---|---|-------------------|-----------------|-------------------|---|-------|-------|---|-------|-------|-------------------------------------|-------|------|
| A.  | <table><tr><td></td><td><u>NAIC No.</u></td><td><u>Pool Share</u></td></tr><tr><td>Lightning Rod Mutual Insurance Company (Lead)</td><td>26123</td><td>55.0%</td></tr><tr><td>Western Reserve Mutual Casualty Company</td><td>26131</td><td>40.0%</td></tr><tr><td>Sonnenberg Mutual Insurance Company</td><td>10271</td><td>5.0%</td></tr></table> |                   | <u>NAIC No.</u> | <u>Pool Share</u> | Lightning Rod Mutual Insurance Company (Lead) | 26123 | 55.0% | Western Reserve Mutual Casualty Company | 26131 | 40.0% | Sonnenberg Mutual Insurance Company | 10271 | 5.0% |
|   | <u>NAIC No.</u>   | <u>Pool Share</u> |                 |                   |   |       |       |   |       |       |                                     |       |      |
| Lightning Rod Mutual Insurance Company (Lead) | 26123   | 55.0%             |                 |                   |   |       |       |   |       |       |                                     |       |      |
| Western Reserve Mutual Casualty Company       | 26131   | 40.0%             |                 |                   |   |       |       |   |       |       |                                     |       |      |
| Sonnenberg Mutual Insurance Company           | 10271   | 5.0%              |                 |                   |   |       |       |   |       |       |                                     |       |      |
| B.  | All transactions and balances in the underwriting accounts of the companies are pooled except premiums in the course of collection.   |                   |                 |                   |   |       |       |   |       |       |                                     |       |      |
| C.  | All lines of business are subject to the intercompany pooling agreement. Cessions to non-affiliated reinsurers are prior to the cession of pooled business from the affiliated pool members to the lead entity.   |                   |                 |                   |   |       |       |   |       |       |                                     |       |      |
| D.  | All pool members are subject to the same non-affiliated reinsurance treaties and have the contractual right of direct recovery per the terms of the reinsurance agreement.  |                   |                 |                   |   |       |       |   |       |       |                                     |       |      |
| E.  | There are no discrepancies between the reinsurance schedules of the lead and other members of the pool.   |                   |                 |                   |   |       |       |   |       |       |                                     |       |      |
| F.  | The Provision for Reinsurance (Schedule F, Part 3) and the write-off of uncollectible reinsurance is in accordance with the pool participation percentages.   |                   |                 |                   |   |       |       |   |       |       |                                     |       |      |
| G.  | There were no balances due from or to the Company from the affiliated entities participating in the intercompany pool as of December 31, 2019.  |                   |                 |                   |   |       |       |   |       |       |                                     |       |      |

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves

\$ -
2. Date of most recent evaluation of this liability

12/31/2019
3. Was anticipated investment income utilized in the calculation?

Yes ( ) No ( x )

31. High Deductibles

Not applicable.

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

The Company does not discount liabilities for unpaid losses nor unpaid loss adjustment expenses in calculating statutory surplus.

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 ( )

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
(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>\$ 62</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Yes [ X ] No [ ]
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

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

Yes [ X ] No [ ] N/A [ ]
- 1.3

State Regulating? Ohio.....
- 1.4

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

Yes [ ] No [ X ]
- 1.5

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

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

Yes [ ] No [ X ]
- 2.2

If yes, date of change:
- 3.1

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

.....12/31/2016
- 3.2

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

.....12/31/2016
- 3.3

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

.....10/25/2017
- 3.4

By what department or departments? Ohio.....
- 3.5

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

Yes [ ] No [ ] N/A [ X ]
- 3.6

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

Yes [ X ] No [ ] N/A [ ]
- 4.1

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

Yes [ ] No [ X ]
- 4.12 renewals?

Yes [ ] No [ X ]
- 4.2

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

Yes [ ] No [ X ]
- 4.22 renewals?

Yes [ ] No [ X ]
- 5.1

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

Yes [ ] No [ X ]
- If yes, complete and file the merger history data file with the NAIC.
- 5.2

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

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

- 6.1

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

Yes [ ] No [ X ]
- 6.2

If yes, give full information .....
- 7.1

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

Yes [ ] No [ X ]
- 7.2

If yes,
- 7.21 State the percentage of foreign control

.....0.0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	.....
.....	.....
.....	.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]  
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]  
8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG 191 West Nationwide Blvd. Columbus, Ohio 43215-2568.....  
10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [ X ]  
10.2 If the response to 10.1 is yes, provide information related to this exemption:  
10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [ X ]  
10.4 If the response to 10.3 is yes, provide information related to this exemption:  
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ X ] No [ ] N/A [ ]  
10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
William D. Hansen, FCAS, MAAA, Oliver Wyman, 325 John H. McConnell Blvd. Suite 350 Columbus, Ohio 43215.....  
12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]  
12.11 Name of real estate holding company .....  
12.12 Number of parcels involved .....0  
12.13 Total book/adjusted carrying value \$.....  
12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]  
13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]  
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]  
14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]  
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
c. Compliance with applicable governmental laws, rules and regulations;  
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
e. Accountability for adherence to the code.  
14.11 If the response to 14.1 is no, please explain:  
14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]  
14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]  
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....39,117

INVESTMENT

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



GENERAL INTERROGATORIES

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

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

25.21 Subject to repurchase agreements	\$.....
25.22 Subject to reverse repurchase agreements	\$.....
25.23 Subject to dollar repurchase agreements	\$.....
25.24 Subject to reverse dollar repurchase agreements	\$.....
25.25 Placed under option agreements	\$.....
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$.....
25.27 FHLB Capital Stock	\$.....
25.28 On deposit with states	\$.....1,960,638
25.29 On deposit with other regulatory bodies	\$.....
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$.....
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$.....
25.32 Other	\$.....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [ ] No [ X ]

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108	Yes [ ] No [ ]
26.42 Permitted accounting practice	Yes [ ] No [ ]
26.43 Other accounting guidance	Yes [ ] No [ ]

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [ ] No [ X ]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001 09658L-51-3.....	BMO Pyrford Intl Stk Fund 1.....	2,899,588
29.2002 233203-84-3.....	DFA US Small Cap Fund.....	2,860,138
29.2003 256206-10-3.....	Dodge & Cox Intl Stock Fund.....	12,370,736
29.2004 413838-20-2.....	Oakmark International Fund 1.....	92,490
29.2005 27826A-73-0.....	Eaton Vance Flt RT R6.....	1,173,510
29.2006 921932-81-0.....	Vanguard S&P SC600 Inst.....	3,035,936
29.2999 TOTAL		22,432,398

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
BMO Pyrford Int'l Stock Fund 1.....	Nestle SA.....	99,166	12/31/2019.....
BMO Pyrford Int'l Stock Fund 1.....	Roche Hldg AG Div Right Cert.....	96,556	12/31/2019.....
BMO Pyrford Int'l Stock Fund 1.....	Novartis AG.....	84,668	12/31/2019.....
BMO Pyrford Int'l Stock Fund 1.....	Japan Tobacco Inc.....	80,029	12/31/2019.....
BMO Pyrford Int'l Stock Fund 1.....	Fuchs Petrolub SE Participating Preferred.....	67,270	12/31/2019.....
DFA US Small Cap Fund.....	Horizon Therapeutics PLC.....	12,013	12/31/2019.....
DFA US Small Cap Fund.....	TCF Financial Corp.....	10,010	12/31/2019.....
DFA US Small Cap Fund.....	Amedisys Inc.....	9,438	12/31/2019.....
DFA US Small Cap Fund.....	Deckers Outdoor Corp.....	9,152	12/31/2019.....
DFA US Small Cap Fund.....	Helen of Troy Ltd.....	9,152	12/31/2019.....
Dodge & Cox Int'l Stock Fund.....	Sanofi SA.....	93,527	12/31/2019.....
Dodge & Cox Int'l Stock Fund.....	BNP Paribas.....	91,810	12/31/2019.....
Dodge & Cox Int'l Stock Fund.....	ICICI Bank Ltd.....	89,808	12/31/2019.....
Dodge & Cox Int'l Stock Fund.....	UBS Group AG.....	84,660	12/31/2019.....
Dodge & Cox Int'l Stock Fund.....	Roche Hldg AG Dividend Right Cert.....	81,228	12/31/2019.....
Oakmark International Fund 1.....	Glencore PLC.....	4,023	12/31/2019.....
Oakmark International Fund 1.....	BNP Paribas.....	3,468	12/31/2019.....
Oakmark International Fund 1.....	Intesa Sanpaolo.....	3,348	12/31/2019.....
Oakmark International Fund 1.....	Continental AG.....	3,293	12/31/2019.....
Oakmark International Fund 1.....	Credit Suisse Group AG.....	3,283	12/31/2019.....
Eaton Vance Flt Rt R6.....	Infor Lawson.....	11,266	12/31/2019.....
Eaton Vance Flt Rt R6.....	CenturyLink, Inc.....	11,148	12/31/2019.....
Eaton Vance Flt Rt R6.....	PPD.....	9,623	12/31/2019.....
Eaton Vance Flt Rt R6.....	Kronos Incorporated.....	9,505	12/31/2019.....
Eaton Vance Flt Rt R6.....	Sprint Communications, Inc.....	9,153	12/31/2019.....
Vanguard S&P SC600 Inst.....	The Medicines Co.....	24,287	12/31/2019.....
Vanguard S&P SC600 Inst.....	Darling Ingredients Inc.....	17,608	12/31/2019.....
Vanguard S&P SC600 Inst.....	LHC Group Inc.....	15,483	12/31/2019.....
Vanguard S&P SC600 Inst.....	Glacier Bancorp Inc.....	15,180	12/31/2019.....
Vanguard S&P SC600 Inst.....	Community Bank System Inc.....	13,965	12/31/2009.....

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	114,455,403	118,352,187	3,896,784
30.2 Preferred Stocks.....	0		0
30.3 Totals	114,455,403	118,352,187	3,896,784

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

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

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

Yes [ ☐ ] No [ ☐ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [ ☒ ] No [ ☐ ]
- 32.2 If no, list exceptions:

GENERAL INTERROGATORIES

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

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

b.Issuer or obligor is current on all contracted interest and principal payments.

c.The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?

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

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

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

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

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

Has the reporting entity self-designated PLGI securities?

Yes [ ☐ ] No [ ☒ ]
35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

a. The shares were purchased prior to January 1, 2019.

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

c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.

d. The fund only or predominantly holds bonds in its portfolio.

e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.

f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [ ☐ ] No [ ☒ ]

OTHER

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

\$ .....445,524
- 36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations, and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
ISO.....	\$.....329,227

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

\$ .....48,548
- 37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
ASI Worley Claim Services.....	\$.....26,350

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

\$ .....0
- 38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....0

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1

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

Yes [ ] No [ X ]

1.2

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

\$.....0

1.3

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

\$.....

1.31

Reason for excluding

1.4

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

\$.....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....0

1.62

Total incurred claims

\$.....0

1.63

Number of covered lives

.....0

All years prior to most current three years:

1.64

Total premium earned

\$.....0

1.65

Total incurred claims

\$.....0

1.66

Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$.....0

1.72

Total incurred claims

\$.....0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$.....0

1.75

Total incurred claims

\$.....0

1.76

Number of covered lives

.....0

2.

Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....0	\$	.....0
2.2	Premium Denominator	\$ .....87,659,830	\$	.....86,235,181
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$ .....0	\$	.....0
2.5	Reserve Denominator	\$ .....81,565,989	\$	.....77,436,870
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

3.1

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

Yes [ ] No [ X ]

3.2

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

3.21

Participating policies

\$.....

3.22

Non-participating policies

\$.....

4.

For Mutual reporting entities and Reciprocal Exchanges only:

4.1

Does the reporting entity issue assessable policies?

Yes [ ] No [ X ]

4.2

Does the reporting entity issue non-assessable policies?

Yes [ ] No [ X ]

4.3

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

%

4.4

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

\$.....

5.

For Reciprocal Exchanges Only:

5.1

Does the exchange appoint local agents?

Yes [ ] No [ ]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes [ ] No [ ] N/A [ ]

5.22

As a direct expense of the exchange

Yes [ ] No [ ] N/A [ ]

5.3

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

5.4

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

Yes [ ] No [ X ]

5.5

If yes, give full information

16

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss: .....  
Protection is provided by the casualty excess of loss agreement with multiple layers creating a \$19.5 million limit above a \$500 thousand per occurrence retention.....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: .....  
Catastrophe modeling (AIR and RMS models provided by our catastrophe reinsurance broker) is utilized to estimate probable maximum loss (PML). The exposures comprising the PML were severe thunderstorms, winter storms and earthquake in Ohio and Indiana.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....  
A property catastrophe reinsurance agreement consists of three layers with an automatic reinstatement for additional premium. The total amount of coverage for a single loss occurrence is \$60.5 million above an \$8.5 million retention.....

6.4

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

Yes

[ X ]

No

[ ]

6.5

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

7.1

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

Yes

[ ]

No

[ X ]

7.2

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

7.3

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

Yes

[ ]

No

[ ]

8.1

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

Yes

[ ]

No

[ X ]

8.2

If yes, give full information  
.....

9.1

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

Yes

[ ]

No

[ X ]

9.2

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

Yes

[ ]

No

[ X ]

9.3

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

9.4

Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes

[ ]

No

[ X ]

9.5

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

9.6

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

Yes

[ ]

No

[ X ]

Yes

[ ]

No

[ X ]

Yes

[ ]

No

[ X ]

10.

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

Yes

[ ]

No

[ ]

N/A

[ X ]

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

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

Yes [ ] No [X]

11.2

If yes, give full information

12.1

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

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

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

\$

12.3

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

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

12.4

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

12.41

From

%

12.42

To

%

12.5

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

Yes [ ] No [X]

12.6

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

12.61

Letters of Credit

\$

12.62

Collateral and other funds

\$

13.1

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

\$1,200,000

13.2

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

Yes [ ] No [X]

13.3

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

2

14.1

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

Yes [ ] No [X]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

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

Yes [ ] No [ ]

14.4

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

Yes [ ] No [ ]

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [ ] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [ ] No [X]

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

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

\* Disclose type of coverage:

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1

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

Yes [ ☐ ] No [ ☒ ]

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

17.11

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

\$.....

17.12

Unfunded portion of Interrogatory 17.11.....

\$.....

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$.....

17.14

Case reserves portion of Interrogatory 17.11.....

\$.....

17.15

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

\$.....

17.16

Unearned premium portion of Interrogatory 17.11.....

\$.....

17.17

Contingent commission portion of Interrogatory 17.11.....

\$.....

18.1

Do you act as a custodian for health savings accounts? .....

Yes [ ☐ ] No [ ☒ ]

18.2

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

\$.....

18.3

Do you act as an administrator for health savings accounts? .....

Yes [ ☐ ] No [ ☒ ]

18.4

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

\$.....

19.

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

Yes [ ☒ ] No [ ☐ ]

19.1

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

Yes [ ☐ ] No [ ☐ ]



ANNUAL STATEMENT FOR THE YEAR 2019 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	56,268,448	56,369,215	56,637,052	56,632,978	57,576,729
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	46,084,682	47,161,211	47,612,518	47,624,230	48,198,681
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	88,565,804	83,311,266	79,167,282	73,933,052	70,653,953
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	190,918,934	186,841,692	183,416,852	178,190,260	176,429,363
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	26,659,478	26,079,314	25,031,645	23,340,787	21,880,333
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	21,846,117	21,528,571	20,787,343	19,503,440	18,345,643
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	40,379,521	39,548,450	39,137,284	38,984,476	38,022,289
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	88,885,116	87,156,335	84,956,272	81,828,703	78,248,265
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(2,029,395)	4,484,474	(1,927,540)	1,575,415	3,834,989
14. Net investment gain (loss) (Line 11)	4,522,971	6,532,814	5,374,572	4,768,926	2,758,321
15. Total other income (Line 15)	1,149,982	1,090,710	1,099,974	1,102,973	1,090,752
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(14,660)	1,824,152	164,603	850,931	2,979,119
18. Net income (Line 20)	3,658,218	10,283,847	4,382,404	6,596,383	4,704,943
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	212,095,430	200,243,873	203,319,232	194,558,766	185,494,164
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	17,474,328	17,385,812	36,200,230	33,464,162	30,016,804
20.2 Deferred and not yet due (Line 15.2)	7,622,197	7,797,290	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	91,737,093	87,718,458	87,593,622	83,167,672	78,868,769
22. Losses (Page 3, Line 1)	33,569,225	30,598,483	32,803,037	28,965,805	25,578,034
23. Loss adjustment expenses (Page 3, Line 3)	5,982,552	6,049,461	5,987,264	6,019,073	5,383,973
24. Unearned premiums (Page 3, Line 9)	42,014,212	40,788,926	39,867,772	38,390,062	36,843,699
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	120,358,337	112,525,414	115,725,610	111,391,094	106,625,394
<b>Cash Flow</b> (Page 5)					
27. Net cash from operations (Line 11)	8,255,080	19,230,082	5,126,745	7,139,311	8,147,927
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	120,358,337	112,525,414	115,725,610	111,391,094	106,625,394
29. Authorized control level risk-based capital	11,298,565	10,482,586	10,756,049	9,504,583	8,776,964
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	63.5	67.5	67.6	66.5	65.4
31. Stocks (Lines 2.1 & 2.2)	32.1	29.6	35.4	34.4	34.7
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	4.9	5.5	4.3	4.5	4.8
34. Cash, cash equivalents and short-term investments (Line 5)	(8.0)	(10.5)	(15.0)	(13.0)	(9.2)
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	7.5	7.9	7.6	7.7	4.3
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	387,234	336,812	355,832	331,527	296,327
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	387,234	336,812	355,832	331,527	296,327
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.3	0.3	0.3	0.3	0.3

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2019	2018	2017	2016	2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	8,520,472	(7,775,686)	3,488,362	2,936,726	(2,623,071)
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	7,832,923	(3,200,196)	4,334,517	4,765,700	423,465
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	31,371,615	39,727,140	33,776,999	33,082,342	32,633,174
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	25,604,149	27,182,531	26,618,645	27,273,592	28,647,348
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	43,302,740	33,035,346	36,202,010	27,602,506	27,864,941
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	100,278,504	99,945,017	96,597,654	87,958,440	89,145,463
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	15,599,895	17,258,067	14,510,192	13,299,465	12,305,060
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	12,938,107	12,925,206	11,802,549	11,341,385	10,894,717
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	21,163,304	16,470,794	20,065,013	15,754,594	15,076,935
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	49,701,306	46,654,067	46,377,754	40,395,444	38,276,712
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	60.1	51.5	60.2	54.5	51.9
68. Loss expenses incurred (Line 3)	9.2	9.9	9.7	10.5	10.5
69. Other underwriting expenses incurred (Line 4)	33.1	33.4	32.5	33.0	32.6
70. Net underwriting gain (loss) (Line 8)	(2.3)	5.2	(2.3)	2.0	4.9
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	31.3	31.8	30.6	31.0	30.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	69.2	61.4	69.8	65.1	62.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	73.9	77.5	73.4	73.5	73.4
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(4,260)	(2,841)	(2,093)	(1,511)	(1,728)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(3.8)	(2.5)	(1.9)	(1.4)	(1.6)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(6,369)	(5,244)	(2,937)	(2,832)	(3,427)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(5.5)	(4.7)	(2.8)	(2.7)	(3.4)

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

If no, please explain

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior	XXX	XXX	XXX	(13)	0	2	1	1	0	15	(11)	XXX
2. 2010	63,138	2,952	60,186	37,677	264	894	2	4,683	5	2,133	42,983	XXX
3. 2011	67,505	4,425	63,080	50,678	9,631	931	0	5,302	2	2,321	47,278	XXX
4. 2012	72,594	5,417	67,177	49,968	7,393	913	0	6,170	0	2,084	49,658	XXX
5. 2013	77,236	4,836	72,400	38,914	46	1,069	26	6,279	0	2,385	46,190	XXX
6. 2014	80,271	4,363	75,908	40,464	172	973	0	6,744	0	2,336	48,009	XXX
7. 2015	81,777	4,214	77,563	39,311	356	1,003	14	6,594	4	2,459	46,534	XXX
8. 2016	84,584	4,303	80,281	41,173	328	793	0	6,715	0	2,440	48,353	XXX
9. 2017	87,836	4,355	83,481	48,502	742	585	2	7,464	1	2,430	55,806	XXX
10. 2018	90,682	4,447	86,235	38,312	263	263	0	6,519	1	2,315	44,830	XXX
11. 2019	92,707	5,049	87,658	37,820	213	88	0	5,622	0	1,100	43,317	XXX
12. Totals	XXX	XXX	XXX	422,806	19,408	7,514	45	62,093	13	22,018	472,947	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. ....	48	28	0	0	0	0	0	0	0	0	0	20	XXX
2. ....	62	0	0	0	0	0	0	0	2	0	0	64	XXX
3. ....	25	0	0	0	2	0	1	0	5	0	0	32	XXX
4. ....	84	0	0	0	4	0	0	0	8	0	0	96	XXX
5. ....	154	0	1	0	22	1	6	2	33	1	0	211	XXX
6. ....	299	0	64	27	36	1	8	3	49	1	0	423	XXX
7. ....	894	70	20	8	73	2	18	7	93	3	0	1,008	XXX
8. ....	1,482	(6)	25	10	182	6	39	13	205	8	0	1,902	XXX
9. ....	2,831	6	105	19	462	18	104	36	599	19	0	4,003	XXX
10. ....	8,235	478	757	142	710	25	160	56	967	29	0	10,100	XXX
11. ....	15,765	737	5,586	1,351	927	42	222	78	1,451	51	0	21,692	XXX
12. ....	29,880	1,313	6,558	1,556	2,418	97	558	195	3,411	113	0	39,552	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	20	0
2. ....	43,318	271	43,047	68.6	9.2	71.5	0	0	40.0	62	2
3. ....	56,944	9,634	47,310	84.4	217.7	75.0	0	0	40.0	25	7
4. ....	57,147	7,393	49,754	78.7	136.5	74.1	0	0	40.0	84	12
5. ....	46,478	76	46,401	60.2	1.6	64.1	0	0	40.0	154	57
6. ....	48,637	204	48,432	60.6	4.7	63.8	0	0	40.0	336	87
7. ....	48,006	464	47,542	58.7	11.0	61.3	0	0	40.0	837	171
8. ....	50,614	359	50,255	59.8	8.3	62.6	0	0	40.0	1,504	398
9. ....	60,652	843	59,809	69.1	19.3	71.6	0	0	40.0	2,911	1,092
10. ....	55,924	994	54,930	61.7	22.3	63.7	0	0	40.0	8,372	1,728
11. ....	67,481	2,473	65,009	72.8	49.0	74.2	0	0	40.0	19,264	2,428
12. ....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	33,569	5,982

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	One Year	Two Year
1. Prior	7,958	7,312	7,386	7,295	7,082	6,953	6,865	6,803	6,753	6,729	(24)	(74)
2. 2010	39,852	38,643	38,298	38,601	38,341	38,311	38,413	38,398	38,397	38,367	(29)	(31)
3. 2011	XXX	43,898	43,576	42,542	42,450	42,232	42,170	42,095	42,041	42,005	(35)	(90)
4. 2012	XXX	XXX	46,660	45,393	44,741	44,043	43,732	43,717	43,698	43,576	(122)	(140)
5. 2013	XXX	XXX	XXX	42,187	42,088	41,052	40,860	40,268	40,098	40,091	(7)	(177)
6. 2014	XXX	XXX	XXX	XXX	42,736	43,119	42,567	42,173	41,699	41,641	(58)	(532)
7. 2015	XXX	XXX	XXX	XXX	XXX	43,178	42,771	42,497	41,276	40,862	(413)	(1,635)
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	46,192	45,525	44,364	43,343	(1,021)	(2,182)
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	53,275	53,585	51,766	(1,818)	(1,508)
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	48,206	47,473	(732)	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	57,987	XXX	XXX
12. Totals											(4,260)	(6,369)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior	000	3,386	5,997	6,211	6,354	6,690	6,725	6,690	6,721	6,709	XXX	XXX
2. 2010	27,215	33,632	36,227	37,288	37,805	37,963	38,276	38,332	38,308	38,305	XXX	XXX
3. 2011	XXX	29,780	37,585	40,057	41,277	41,704	41,842	41,905	41,980	41,978	XXX	XXX
4. 2012	XXX	XXX	32,321	39,430	41,551	42,989	43,387	43,459	43,494	43,488	XXX	XXX
5. 2013	XXX	XXX	XXX	27,402	35,172	37,439	39,114	39,726	39,842	39,911	XXX	XXX
6. 2014	XXX	XXX	XXX	XXX	28,933	35,905	38,734	40,344	41,121	41,265	XXX	XXX
7. 2015	XXX	XXX	XXX	XXX	XXX	27,729	34,755	37,675	39,796	39,944	XXX	XXX
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	29,041	37,623	40,588	41,638	XXX	XXX
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	33,493	44,929	48,343	XXX	XXX
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	30,108	38,312	XXX	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,695	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019
1. Prior	417	240	57	43	64	41	30	14	0	0
2. 2010	3,369	387	60	117	92	30	23	11	12	0
3. 2011	XXX	3,197	504	290	190	112	42	6	0	1
4. 2012	XXX	XXX	3,091	548	366	173	51	55	23	0
5. 2013	XXX	XXX	XXX	3,691	513	283	102	128	29	4
6. 2014	XXX	XXX	XXX	XXX	3,553	517	261	189	83	42
7. 2015	XXX	XXX	XXX	XXX	XXX	3,643	485	449	112	23
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	4,283	619	283	41
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,273	733	155
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,124	720
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,379

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status (a)	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL N	.0	.0	.0	.0	.0	.0	.0	
2. Alaska	AK N	.0	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ N	.0	.0	.0	.0	.0	.0	.0	
4. Arkansas	AR N	.0	.0	.0	.0	.0	.0	.0	
5. California	CA N	.0	.0	.0	.0	.0	.0	.0	
6. Colorado	CO N	.0	.0	.0	.0	.0	.0	.0	
7. Connecticut	CT N	.0	.0	.0	.0	.0	.0	.0	
8. Delaware	DE N	.0	.0	.0	.0	.0	.0	.0	
9. Dist. Columbia	DC N	.0	.0	.0	.0	.0	.0	.0	
10. Florida	FL N	.0	.0	.0	.0	.0	.0	.0	
11. Georgia	GA N	.0	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI N	.0	.0	.0	.0	.0	.0	.0	
13. Idaho	ID N	.0	.0	.0	.0	.0	.0	.0	
14. Illinois	IL L	.0	.0	.0	.0	.0	.0	.0	
15. Indiana	IN L	27,437,083	27,142,437	.0	12,183,706	13,278,539	13,738,156	333,148	
16. Iowa	IA N	.0	.0	.0	.0	.0	.0	.0	
17. Kansas	KS N	.0	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY N	.0	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA N	.0	.0	.0	.0	.0	.0	.0	
20. Maine	ME N	.0	.0	.0	.0	.0	.0	.0	
21. Maryland	MD N	.0	.0	.0	.0	.0	.0	.0	
22. Massachusetts	MA N	.0	.0	.0	.0	.0	.0	.0	
23. Michigan	MI N	.0	.0	.0	.0	.0	.0	.0	
24. Minnesota	MN N	.0	.0	.0	.0	.0	.0	.0	
25. Mississippi	MS N	.0	.0	.0	.0	.0	.0	.0	
26. Missouri	MO N	.0	.0	.0	.0	.0	.0	.0	
27. Montana	MT N	.0	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE N	.0	.0	.0	.0	.0	.0	.0	
29. Nevada	NV N	.0	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH N	.0	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ N	.0	.0	.0	.0	.0	.0	.0	
32. New Mexico	NM N	.0	.0	.0	.0	.0	.0	.0	
33. New York	NY N	.0	.0	.0	.0	.0	.0	.0	
34. No. Carolina	NC N	.0	.0	.0	.0	.0	.0	.0	
35. No. Dakota	ND N	.0	.0	.0	.0	.0	.0	.0	
36. Ohio	OH L	74,596,735	73,174,483	.0	38,393,491	41,559,899	29,508,834	1,003,358	
37. Oklahoma	OK N	.0	.0	.0	.0	.0	.0	.0	
38. Oregon	OR N	.0	.0	.0	.0	.0	.0	.0	
39. Pennsylvania	PA N	.0	.0	.0	.0	.0	.0	.0	
40. Rhode Island	RI N	.0	.0	.0	.0	.0	.0	.0	
41. So. Carolina	SC N	.0	.0	.0	.0	.0	.0	.0	
42. So. Dakota	SD N	.0	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN L	.0	.0	.0	.0	.0	.0	.0	
44. Texas	TX N	.0	.0	.0	.0	.0	.0	.0	
45. Utah	UT N	.0	.0	.0	.0	.0	.0	.0	
46. Vermont	VT N	.0	.0	.0	.0	.0	.0	.0	
47. Virginia	VA N	.0	.0	.0	.0	.0	.0	.0	
48. Washington	WA N	.0	.0	.0	.0	.0	.0	.0	
49. West Virginia	WV N	.0	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI N	.0	.0	.0	.0	.0	.0	.0	
51. Wyoming	WY N	.0	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS N	.0	.0	.0	.0	.0	.0	.0	
53. Guam	GU N	.0	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR N	.0	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI N	.0	.0	.0	.0	.0	.0	.0	
56. Northern Mariana Islands	MP N	.0	.0	.0	.0	.0	.0	.0	
57. Canada	CAN N	.0	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Totals	XXX	102,033,818	100,316,920	0	50,577,197	54,838,438	43,246,990	1,336,506	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 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

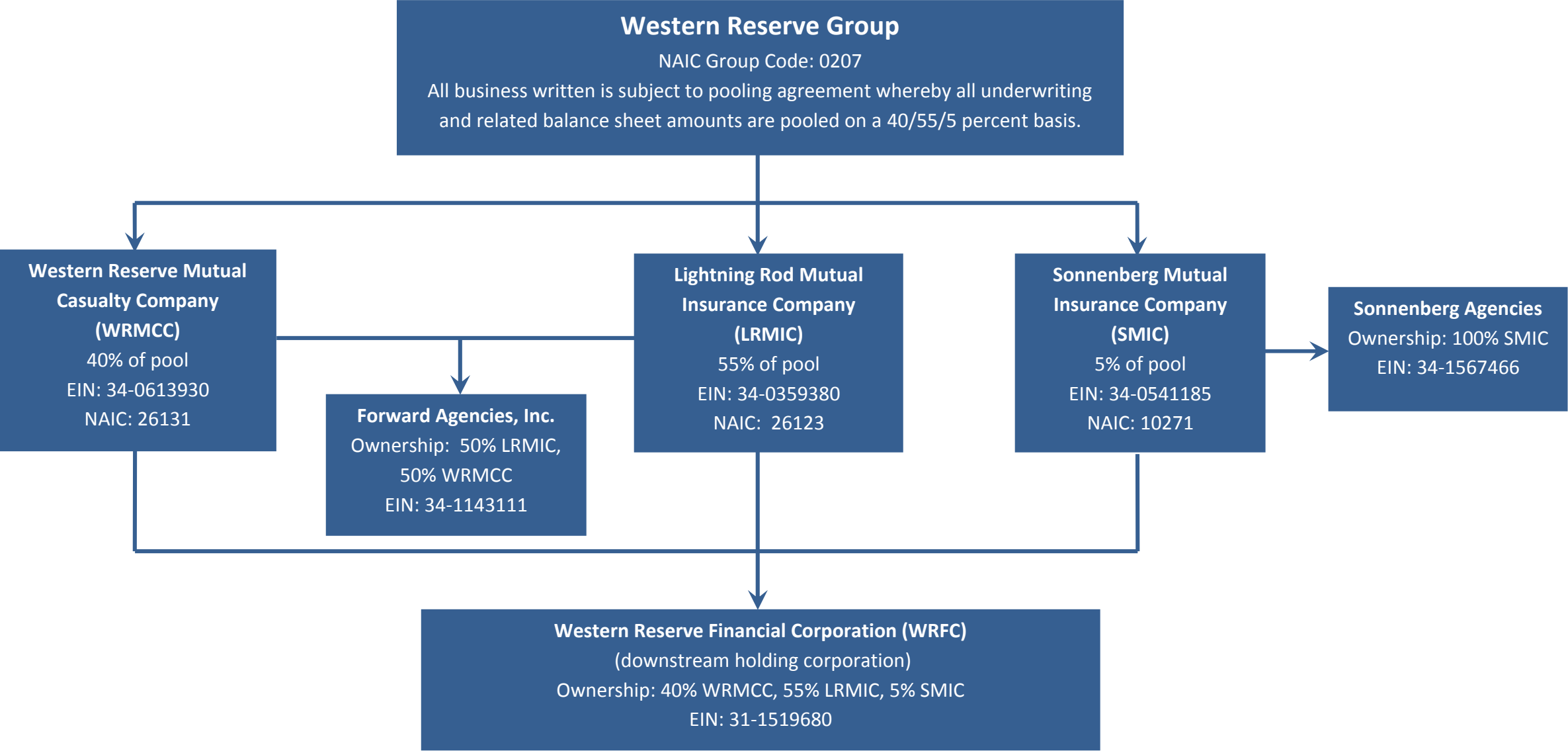
(b) Explanation of basis of allocation of premiums by states, etc.

Actual direct written and earned premium by state are assigned by address of policyholder for all lines of business.

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

PART 1 – ORGANIZATIONAL CHART

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