



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2022  
OF THE CONDITION AND AFFAIRS OF THE

## SONNENBERG MUTUAL INSURANCE COMPANY

NAIC Group Code	00207 (Current Period)	00207 (Prior Period)	NAIC Company Code	10271	Employer's ID Number	34-0541185
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	01/01/1905		Commenced Business	01/01/1859		
Statutory Home Office	2865 Benden Drive (Street and Number)		Wooster, OH, US 44691 (City or Town, State, Country and Zip Code)			
Main Administrative Office	2865 Benden Drive (Street and Number)		Wooster, OH, US 44691 (City or Town, State, Country and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Mail Address	2865 Benden Drive (Street and Number or P.O. Box)		Wooster, OH, US 44691 (City or Town, State, Country and Zip Code)		Wooster, OH, US 44691 (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	2865 Benden Drive (Street and Number)		Wooster, OH, US 44691 (City or Town, State, Country and Zip Code)		330-262-9060 (Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Christopher M. Racz, CPA (Name)		330-262-9060-2446 (Area Code) (Telephone Number) (Extension)			
	Christopher.Racz@wrginsurance.com (E-Mail Address)		800-563-9896 (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	EXECUTIVE VICE PRESIDENT	WILLIAM J. GALONSKI	VICE PRESIDENT-CHIEF CLAIMS OFFICER
GLEND A. RISNER #	VICE PRESIDENT-INSURANCE OPERATIONS	LEO S. GENDERS	VICE PRESIDENT-CHIEF INFORMATION OFFICER

### DIRECTORS OR TRUSTEES

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

State of ..... OHIO .....

County of ..... WAYNE ..... ss

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

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

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

b. If no:

1. State the amendment number
2. Date filed
3. Number of pages attached

Subscribed and sworn to before me this  
day of \_\_\_\_\_,\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	16,763,163	0	16,763,163	16,917,077
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	7,783,213	28,117	7,755,097	10,947,637
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	0	0	0	0
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 (\$ .....(12,666,519) ), cash equivalents (\$ .....356,705 ) and short-term investments (\$ .....0 ) .....	..(12,309,814)	0	(12,309,814)	..(10,111,908)
6. Contract loans (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	811,086	0	811,086	562,374
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	13,047,650	28,117	13,019,533	18,315,179
13. Title plants less \$ ..... charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	149,688	0	149,688	128,965
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	10,562,740	23,604	10,539,136	9,871,489
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	6,577,613	0	6,577,613	4,793,577
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	141,154	0	141,154	10,115
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 .....	213,699	0	213,699	46,914
18.2 Net deferred tax asset .....	0	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	0	0	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 .....	0	0	0	0
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) .....	30,692,544	51,721	30,640,823	33,166,239
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	30,692,544	51,721	30,640,823	33,166,239
<b>DETAILS OF WRITE-INS</b>				
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. .....	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

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 1,763,614 )	3,735,810	3,847,160
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	814,155	814,155
4. Commissions payable, contingent commissions and other similar charges	370,888	405,244
5. Other expenses (excluding taxes, licenses and fees)	325,651	496,379
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	121,817	142,180
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	132,798	641,768
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	6,168,793	5,559,026
10. Advance premium	130,750	83,454
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	22,627	60,100
13. Funds held by company under reinsurance treaties	0	1,170
14. Amounts withheld or retained by company for account of others	278,517	212,194
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	12,101,805	12,262,830
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	12,101,805	12,262,830
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)	18,539,018	20,903,409
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)	18,539,018	20,903,409
38. Totals (Page 2, Line 28, Col. 3)	30,640,823	33,166,239
<b>DETAILS OF WRITE-INS</b>		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 44,128,610 )	40,277,205	36,400,974	48,907,231
1.2 Assumed (written \$ 9,483,980 )	8,874,215	8,432,802	11,298,818
1.3 Ceded (written \$ 44,128,610 )	40,277,205	36,400,974	48,907,231
1.4 Net (written \$ 9,483,980 )	8,874,215	8,432,802	11,298,818
DEDUCTIONS:			
2. Losses incurred (current accident year \$ ):			
2.1 Direct	33,572,288	22,357,908	32,005,701
2.2 Assumed	6,101,831	4,716,847	6,383,496
2.3 Ceded	33,572,288	22,357,908	32,005,701
2.4 Net	6,101,831	4,716,847	6,383,496
3. Loss adjustment expenses incurred	890,810	860,098	1,174,054
4. Other underwriting expenses incurred	3,099,333	2,961,530	3,941,752
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	10,091,973	8,538,475	11,499,302
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(1,217,759)	(105,673)	(200,484)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	347,836	311,799	457,712
10. Net realized capital gains (losses) less capital gains tax of \$ 66,684	250,860	15,091	95,328
11. Net investment gain (loss) (Lines 9 + 10)	598,696	326,890	553,040
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 9,861 )	(9,861)	(10,819)	(14,164)
13. Finance and service charges not included in premiums	94,437	100,796	132,472
14. Aggregate write-ins for miscellaneous income	3,406	1,150	1,671
15. Total other income (Lines 12 through 14)	87,982	91,127	119,979
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(531,081)	312,344	472,535
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(531,081)	312,344	472,535
19. Federal and foreign income taxes incurred	(163,469)	32,356	92,106
20. Net income (Line 18 minus Line 19)(to Line 22)	(367,612)	279,988	380,428
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	20,903,409	19,209,389	19,209,389
22. Net income (from Line 20)	(367,612)	279,988	380,428
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (527,327)	(1,983,753)	790,151	1,306,653
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(18,356)	24,659	37,485
27. Change in nonadmitted assets	5,330	(33,619)	(30,547)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	(2,364,391)	1,061,179	1,694,020
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	18,539,018	20,270,568	20,903,409
<b>DETAILS OF WRITE-INS</b>			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. <b>TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)</b>	0	0	0
1401. Other Income/(Expense)	3,406	1,150	1,671
1402.		0	0
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. <b>TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)</b>	3,406	1,150	1,671
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. <b>TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)</b>	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	7,037,435	8,328,168	10,775,312
2. Net investment income.....	408,451	367,186	562,491
3. Miscellaneous income.....	87,982	91,127	119,979
4. Total (Lines 1 to 3).....	7,533,868	8,786,481	11,457,781
5. Benefit and loss related payments.....	6,344,220	4,638,484	6,428,881
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	4,215,589	3,951,059	5,081,758
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	70,000	75,000	75,000
10. Total (Lines 5 through 9).....	10,629,809	8,664,543	11,585,639
11. Net cash from operations (Line 4 minus Line 10).....	(3,095,941)	121,937	(127,858)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	536,327	579,645	959,645
12.2 Stocks.....	951,801	20,164	131,868
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	280,765	54,773	54,773
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,768,894	654,582	1,146,286
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	380,952	910,068	1,611,626
13.2 Stocks.....	14,983	35,000	40,546
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	540,175	354,374	614,724
13.6 Miscellaneous applications.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	936,010	1,299,442	2,266,896
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	832,884	(644,860)	(1,120,610)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	65,153	66,034	61,617
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	65,153	66,034	61,617
<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).....	(2,197,905)	(456,889)	(1,186,851)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	(10,111,908)	(8,925,057)	(8,925,057)
19.2 End of period (Line 18 plus Line 19.1).....	(12,309,813)	(9,381,946)	(10,111,908)

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Investments acquired in non-cash transactions.....	97,440	25,375	44,199
20.0002. Investments disposed in non-cash transactions.....	97,440	25,375	44,199

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Sonnenberg Mutual Insurance Company (SMIC) 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	2022	2021
<b><u>NET INCOME</u></b>				
(1) SMIC state basis (Page 4, Line 20, Columns 1 & 3)	Ohio	\$ (367,612)	\$ 380,429	
(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>\$ (367,612)</u>	<u>\$ 380,429</u>	
<b><u>SURPLUS</u></b>				
(5) SMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 18,539,018	\$ 20,903,409	
(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>\$ 18,539,018</u>	<u>\$ 20,903,409</u>	

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

No significant changes from December 31, 2021.

#### C. Accounting Policy

No significant changes from December 31, 2021.

#### D. Going Concern

Management has evaluated the Company's viability and has no doubt as to the Company's ability to continue as a going concern.

### 2. Accounting Changes and Corrections of Errors

Not applicable.

### 3. Business Combinations and Goodwill

Not applicable.

### 4. Discontinued Operations

Not applicable.

### 5. Investments

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

#### B. Debt Restructuring

Not applicable.

#### C. Reverse Mortgages

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

**D. Loan-Backed Securities**

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

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$ (9,270)
2. 12 months or Longer	\$ —

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

1. Less than 12 months	\$ 112,620
2. 12 months or longer	\$ —

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\* Securities**

Not applicable.

**P. Short Sales**

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

Q. Prepayment Penalty and Accelerated Fees

No significant changes from December 31, 2021.

R. Reporting Entity's Share of Cash Pool by Asset Type

Not applicable.

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

No significant changes from December 31, 2021.

**7. Investment Income**

No significant changes from December 31, 2021.

**8. Derivative Instruments**

Not applicable.

**9. Income Taxes**

No significant changes from December 31, 2021.

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

A. Effective January 1, 2022 the Company changed its organizational structure from a mutual insurance company to a mutual holding company owned stock insurance company. Under this structure, the Company converted to a stock insurer and retained its name of Sonnenberg Mutual Insurance Company and became a wholly owned subsidiary of a newly organized holding company, WRG Holdings, Inc. WRG Holdings, Inc. is a wholly owned subsidiary of WRG Mutual Insurance Holding Company (WRG MIHC). WRG MIHC is the ultimate controlling parent of the group. The conversion was approved by the Company's policyholders on July 28, 2021 and by the Ohio Department of Insurance on September 23, 2021.

B. Not applicable.

C. Not applicable.

D. No significant changes from December 31, 2021.

E. Not applicable.

F. No significant changes from December 31, 2021.

G. No significant changes from December 31, 2021.

H. Not applicable.

I. Not applicable.

J. Not applicable.

K. Not applicable.

L. No significant changes from December 31, 2021.

M. No significant changes from December 31, 2021.

N. Not applicable.

O. Not applicable.

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

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of September 30, 2022 and December 31, 2021, amounts held for these deferrals were \$0.3 million and \$0.2 million, respectively.

B. Investment Policies and Strategies

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

- C. Fair Value of Plan Assets  
Not applicable.
- D. Basis of Rates of Returns on Assets  
Not applicable.
- E. Defined Contribution Plans  
No significant changes from December 31, 2021.
- 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

No significant changes from December 31, 2021.

### 14. Liabilities, Contingencies and Assessments

No significant changes from December 31, 2021.

### 15. Leases

No significant changes from December 31, 2021.

### 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

Not applicable.

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

Not applicable.

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

Not applicable.

### 20. Fair Value 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:

#### *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.

## NOTES TO FINANCIAL STATEMENTS

### 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 September 30, 2022:

Description of each class of asset or liability	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	Net Asset Value (NAV)	<u>Total</u>
<b>a. Assets at fair value</b>					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 356,705	\$ --	\$ --	\$ --	\$ 356,705
Total Cash Equivalents	<u>356,705</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>356,705</u>
Common Stock:					
Mutual Funds	3,426,944	--	--	--	3,426,944
Industrial and Misc	<u>4,233,737</u>	<u>--</u>	<u>94,416</u>	<u>--</u>	<u>4,328,153</u>
Total Common Stocks	<u>7,660,681</u>	<u>--</u>	<u>94,416</u>	<u>--</u>	<u>7,755,097</u>
Other Invested Assets	<u>--</u>	<u>--</u>	<u>811,086</u>	<u>--</u>	<u>811,086</u>
Total assets at fair value/NAV	<u><u>\$ 8,017,386</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 905,502</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 8,922,888</u></u>

#### b. Liabilities at fair value: Not applicable.

#### Fair Value Measurements at December 31, 2021:

Description of each class of asset or liability	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	Net Asset Value (NAV)	<u>Total</u>
<b>a. Assets at fair value</b>					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 401,665	\$ --	\$ --	\$ --	\$ 401,665
Total Cash Equivalents	<u>401,665</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>401,665</u>
Common Stock:					
Mutual Funds	5,285,178	--	--	--	5,285,178
Industrial and Misc	<u>5,558,128</u>	<u>--</u>	<u>104,331</u>	<u>--</u>	<u>5,662,459</u>
Total Common Stocks	<u>10,843,306</u>	<u>--</u>	<u>104,331</u>	<u>--</u>	<u>10,947,637</u>
Other Invested Assets	<u>--</u>	<u>--</u>	<u>562,374</u>	<u>--</u>	<u>562,374</u>
Total assets at fair value/NAV	<u><u>\$ 11,244,971</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 666,705</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 11,991,676</u></u>

#### b. Liabilities at fair value: Not applicable.

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

	<u>Beginning Balance at 06/30/2022</u>	<u>Transfers In/(out) Level 3</u>	<u>Total Gain/(Loss) Included in Net Income</u>	<u>Total Gain/(Loss) Included in Surplus</u>	<u>Purchases (Sales)</u>	<u>Ending Balance at 09/30/2022</u>
<b>a. Assets:</b>						
Common Stock:						
Industrial and Misc	\$ 94,416	\$ --	\$ --	\$ --	\$ --	\$ 94,416
Other Invested Assets	<u>509,053</u>	<u>--</u>	<u>--</u>	<u>(11,327)</u>	<u>313,360</u>	<u>811,086</u>
Total Assets:	<u><u>\$ 603,469</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ (11,327)</u></u>	<u><u>\$ 313,360</u></u>	<u><u>\$ 905,502</u></u>
b. Liabilities:						
Not applicable.						

#### (3) As of September 30, 2022, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

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

**Other Invested Assets** – The Company holds limited partnership interests in private credit funds.

#### B. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 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	\$15,479,112	\$16,763,163	\$ 1,547,405	\$13,931,707	\$ --	\$ --	\$ --
Common Stock	7,755,097	7,755,097	7,660,681	--	94,416	--	--
Other Invested Assets	811,086	811,086	--	--	811,086	--	--
Cash Equivalents	356,705	356,705	356,705	--	--	--	--

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

### 21. Other Items

Not applicable.

### 22. Events Subsequent

#### Type I – Recognized Subsequent Events:

Subsequent events have been considered through November 14, 2022 for the statutory statement issued on November 14, 2022 for the quarter ending September 30, 2022. No Type I events were identified that would have a material effect on the financial condition of the Company.

#### Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through November 14, 2022 for the statutory statement issued on November 14, 2022 for the quarter ending September 30, 2022. No Type II events were identified that would have a material effect on the financial condition of the Company.

### 23. Reinsurance

No significant changes from December 31, 2021.

### 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, 2021 were \$4.7 million. During 2022, \$2.1 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 \$2.5 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been \$0.1 million of favorable prior year development from December 31, 2021 to September 30, 2022. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

### 26. Intercompany Pooling Agreements

No significant changes from December 31, 2021.

### 27. Structured Settlements

Not applicable.

### 28. Health Care Receivables

Not applicable.

### 29. Participating Policies

Not applicable.

### 30. Premium Deficiency Reserves

No significant changes from December 31, 2021.

### 31. High Deductibles

Not applicable.

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

No significant changes from December 31, 2021.

### 33. Asbestos/Environmental Reserves

No significant changes.

## NOTES TO FINANCIAL STATEMENTS

**34. Subscriber Savings Accounts**

Not applicable.

**35. Multiple Peril Crop Insurance**

Not applicable.

**36. Financial Guaranty Insurance**

Not applicable.

# STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

2.2 If yes, date of change: .....

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]

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

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

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

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ ] No [X]

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

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [X]

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2016

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2016

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 10/25/2017

6.4 By what department or departments? .....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

7.2 If yes, give full information: .....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... 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.

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

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

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

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

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

#### FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [X]

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

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**GENERAL INTERROGATORIES**

**INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

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

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

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ ..... 0	\$ ..... 0
14.22 Preferred Stock .....	\$ ..... 0	\$ ..... 0
14.23 Common Stock .....	\$ ..... 38,133	\$ ..... 28,117
14.24 Short-Term Investments .....	\$ ..... 0	\$ ..... 0
14.25 Mortgage Loans on Real Estate .....	\$ ..... 0	\$ ..... 0
14.26 All Other .....	\$ ..... 0	\$ ..... 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ ..... 38,133	\$ ..... 28,117
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ ..... 0	\$ ..... 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

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

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

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ ..... 0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ ..... 0
16.3 Total payable for securities lending reported on the liability page	\$ ..... 0

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

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

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

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Monroe Capital LLC.....	311 South Wacker Dr, Suite 6400 Chicago, IL 60606.....	Investment in Monroe Capital Credit (Delaware) Feeder Fund IV LP not accounted for by Northern Trust Company....
HarbourVest Partners LLC.....	One Financial Center Boston, MA 02111.....	Investment in HarbourVest Direct Lending Fund (L) L.P. not accounted for by Northern Trust.....
First Eagle Alternative Credit LLC.....	1345 Avenue of the Americas, New York, NY 10105.....	Investment in First Eagle Direct Lending V-B, LLC; not accounted for by Northern Trust.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [X]

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

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

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

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

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity's invested assets? Yes [ ] No [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [ ] No [X]

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

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

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

18.2 If no, list exceptions:

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

**STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

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

- a. PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?..... Yes [ ] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is
- c. shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?..... Yes [ ] No [X]

21. 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 [X]

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

# **GENERAL INTERROGATORIES**

## **PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

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

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]  
3.2 If yes, give full and complete information thereto.

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

#### 4.2 If yes, complete the following schedule:

## 5. Operating Percentages:

5.1 A&H loss percent.....	0.0	%
5.2 A&H cost containment percent .....	0.0	%
5.3 A&H expense percent excluding cost containment expenses.....	0.0	%

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

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

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

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

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

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

of the reporting entity?..... Yes [ ] No [ ]

**STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY**

## **SCHEDULE F - CEDED REINSURANCE**

**Showing All New Reinsurers - Current Year to Date**

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

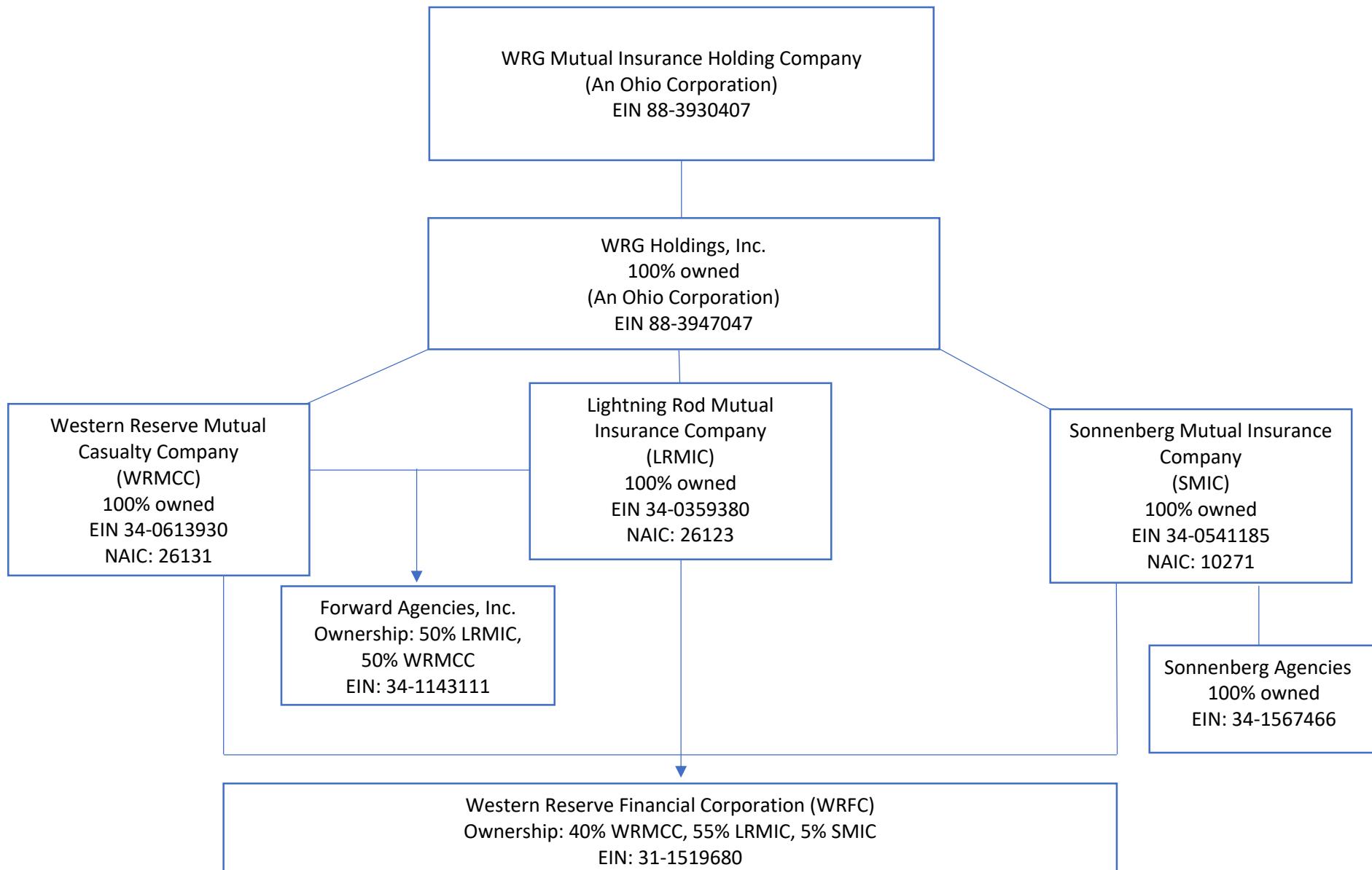
Current Year to Date – Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0
5. California	CA	N	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0
9. Dist. Columbia	DC	N	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0
15. Indiana	IN	L	10,294,911	8,859,515	6,070,243	5,262,089	4,747,660
16. Iowa	IA	N	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0
36. Ohio	OH	L	33,833,699	28,783,548	24,063,794	17,396,623	15,600,876
37. Oklahoma	OK	N	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals		XXX	44,128,610	37,643,063	30,134,037	22,658,712	20,348,536
<b>DETAILS OF WRITE-INS</b>							
58001.		XXX					
58002.		XXX					
58003.		XXX					
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG ..... 2 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 (DSLI) – 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 ..... 55

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



## STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Yes/No)	16 *
00000		00000				WRG Mutual Insurance Holding Company		.OH	.VIP	WRG Mutual Insurance Holding Company	Board		WRG Mutual Insurance Holding Company	NO	
00000		00000				WRG Holdings, Inc		.OH	.UDP	WRG Mutual Insurance Holding Company	Ownership	100.0	WRG Mutual Insurance Holding Company	NO	
00207	Western Reserve Group	10271	34-0541185			Sonnenberg Mutual Insurance Company		.OH	.RE	WRG Holdings, Inc	Ownership	100.0	WRG Mutual Insurance Holding Company	NO	
00207	Western Reserve Group	26131	34-0613930			Western Reserve Mutual Casualty Company		.OH	.IA	WRG Holdings, Inc	Ownership	100.0	WRG Mutual Insurance Holding Company	NO	
00207	Western Reserve Group	26123	34-0359380			Lightning Rod Mutual Insurance Company		.OH	.IA	WRG Holdings, Inc	Ownership	100.0	WRG Mutual Insurance Holding Company	NO	
00207	Western Reserve Group	00000	34-0541185			Sonnenberg Agencies		.OH	.DS	Sonnenberg Mutual Insurance Company	Ownership	100.0	WRG Mutual Insurance Holding Company	NO	
00207	Western Reserve Group	00000	31-1519680			Western Reserve Financial Corporation		.OH	.DS	Sonnenberg Mutual Insurance Company	Ownership	5.0	WRG Mutual Insurance Holding Company	NO	
00207	Western Reserve Group	00000	31-1519680			Western Reserve Financial Corporation		.OH	.DS	Western Reserve Mutual Casualty Company	Ownership	40.0	WRG Mutual Insurance Holding Company	NO	
00207	Western Reserve Group	00000	31-1519680			Western Reserve Financial Corporation		.OH	.DS	Lightning Rod Mutual Insurance Company	Ownership	55.0	WRG Mutual Insurance Holding Company	NO	

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	12,597		0.0	0.0
2.1 Allied lines	5,665		0.0	0.0
2.2 Multiple peril crop			0.0	
2.3 Federal flood			0.0	
2.4 Private crop			0.0	
2.5 Private flood			0.0	
3. Farmowners multiple peril	882,727	2,660,995	301.5	161.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
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
13.1 Comprehensive (hospital and medical) individual			0.0	
13.2 Comprehensive (hospital and medical) group			0.0	
14. Credit accident and health			0.0	0.0
15.1 Vision only			0.0	
15.2 Dental only			0.0	
15.3 Disability income			0.0	
15.4 Medicare supplement			0.0	
15.5 Medicaid Title XIX			0.0	
15.6 Medicare Title XVIII			0.0	
15.7 Long-term care			0.0	
15.8 Federal employees health benefits plan			0.0	
15.9 Other health			0.0	
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence	382		0.0	0.0
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1 Private passenger auto no-fault (personal injury protection)			0.0	
19.2 Other private passenger auto liability	21,952,410	14,396,699	65.6	
19.3 Commercial auto no-fault (personal injury protection)			0.0	
19.4 Other commercial auto liability	0		0.0	
21.1 Private passenger auto physical damage	17,395,366	16,514,594	94.9	
21.2 Commercial auto physical damage			0.0	
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery	28,058		0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	40,277,205	33,572,288	83.4	61.4
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire .....	4,636	12,220	11,971
2.1 Allied lines .....	1,882	5,255	4,981
2.2 Multiple peril crop .....	0		
2.3 Federal flood .....	0		
2.4 Private crop .....	0		
2.5 Private flood .....	0		
3. Farmowners multiple peril .....	404,950	1,089,265	739,411
4. Homeowners multiple peril .....	0		0
5. Commercial multiple peril .....	0		0
6. Mortgage guaranty .....	0		0
8. Ocean marine .....	0		0
9. Inland marine .....	0		0
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
13.1 Comprehensive (hospital and medical) individual .....	0		
13.2 Comprehensive (hospital and medical) group .....	0		
14. Credit accident and health .....	0		0
15.1 Vision only .....	0		
15.2 Dental only .....	0		
15.3 Disability income .....	0		
15.4 Medicare supplement .....	0		
15.5 Medicaid Title XIX .....	0		
15.6 Medicare Title XVIII .....	0		
15.7 Long-term care .....	0		
15.8 Federal employee health benefits plan .....	0		
15.9 Other health .....	0		
16. Workers' compensation .....	0		0
17.1 Other liability occurrence .....	206	382	368
17.2 Other liability-claims made .....	0		0
17.3 Excess Workers' Compensation .....	0		0
18.1 Products liability-occurrence .....	0		0
18.2 Products liability-claims made .....	0		0
19.1 Private passenger auto no-fault (personal injury protection) .....	0		
19.2 Other private passenger auto liability .....	8,517,306	23,585,240	20,406,770
19.3 Commercial auto no-fault (personal injury protection) .....	0		
19.4 Other commercial auto liability .....	0		
21.1 Private passenger auto physical damage .....	7,086,405	19,400,135	16,457,849
21.2 Commercial auto physical damage .....	0		
22. Aircraft (all perils) .....	0		0
23. Fidelity .....	0		0
24. Surety .....	0		0
26. Burglary and theft .....	0		0
27. Boiler and machinery .....	13,395	36,113	21,713
28. Credit .....	0		0
29. International .....	0		0
30. Warranty .....	0		0
31. Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business .....	0	0	0
<b>35. TOTALS</b>	<b>16,028,780</b>	<b>44,128,610</b>	<b>37,643,063</b>
<b>DETAILS OF WRITE-INS</b>			
3401. ....	0		0
3402. ....	0		0
3403. ....	0		0
3498. Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2022 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2022 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2022 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2019 + Prior .....	841	242	1,083	364	11	375	489	34	183	706	12	(14)	(2)
2. 2020 .....	940	243	1,183	424	11	435	392	32	300	724	(124)	100	(24)
3. Subtotals 2020 + prior .....	1,781	485	2,266	788	22	810	881	66	483	1,430	(112)	.86	(26)
4. 2021 .....	1,507	889	2,396	938	373	1,311	664	230	166	1,060	95	(120)	(25)
5. Subtotals 2021 + prior .....	3,288	1,374	4,662	1,726	395	2,121	1,545	296	649	2,490	(17)	(34)	(51)
6. 2022 .....	XXX	XXX	XXX	XXX	4,982	4,982	XXX	1,331	730	2,061	XXX	XXX	XXX
7. Totals .....	3,288	1,374	4,662	1,726	5,377	7,103	1,545	1,627	1,379	4,551	(17)	(34)	(51)
8. Prior Year-End Surplus As Regards Policy-holders		20,903									Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (0.5)	2. (2.5)	3. (1.1)
												Col. 13, Line 7 Line 8	
													4. (0.2)

# STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

### Response

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

### **AUGUST FILING**

5. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.	.....N/A.....
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### Explanation:

### Bar Code:

1.		1 0 2 7 1 2 0 2 2 4 9 0 0 0 0 0 3
2.		1 0 2 7 1 2 0 2 2 4 5 5 0 0 0 0 0 3
3.		1 0 2 7 1 2 0 2 2 3 6 5 0 0 0 0 0 3
4.		1 0 2 7 1 2 0 2 2 5 0 5 0 0 0 0 0 3

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE A – VERIFICATION**

Real Estate

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

**NONE**

**SCHEDULE B – VERIFICATION**

Mortgage Loans

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

**NONE**

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	562,374	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	228,055	287,500
2.2 Additional investment made after acquisition	312,119	327,224
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	(10,697)	2,423
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	280,765	54,773
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other-than-temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	811,086	562,374
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	811,086	562,374

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	27,902,847	25,677,979
2. Cost of bonds and stocks acquired	493,275	1,696,371
3. Accrual of discount	2,569	3,550
4. Unrealized valuation increase (decrease)	(2,500,382)	1,651,568
5. Total gain (loss) on disposals	317,544	120,669
6. Deduct consideration for bonds and stocks disposed of	1,585,568	1,135,711
7. Deduct amortization of premium	83,907	111,578
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	24,546,377	27,902,847
12. Deduct total nonadmitted amounts	28,117	38,132
13. Statement value at end of current period (Line 11 minus Line 12)	24,518,261	27,864,715

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	15,868,339	97,440	314,897	3,462	15,659,766	15,868,339	15,654,343	15,907,640
2. NAIC 2 (a).....	1,109,028	0	0	(208)	1,109,235	1,109,028	1,108,820	1,009,436
3. NAIC 3 (a).....	0	0	0	0	0	0	0	0
4. NAIC 4 (a).....	0	0	0	0	0	0	0	0
5. NAIC 5 (a).....	0	0	0	0	0	0	0	0
6. NAIC 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds.....	16,977,367	97,440	314,897	3,254	16,769,000	16,977,367	16,763,163	16,917,077
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0	0	0	0	0	0	0	0
9. NAIC 2.....	0	0	0	0	0	0	0	0
10. NAIC 3.....	0	0	0	0	0	0	0	0
11. NAIC 4.....	0	0	0	0	0	0	0	0
12. NAIC 5.....	0	0	0	0	0	0	0	0
13. NAIC 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	16,977,367	97,440	314,897	3,254	16,769,000	16,977,367	16,763,163	16,917,077

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....0 ; NAIC 2 \$ .....0 ;

NAIC 3 \$ .....0 ; NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0

S102

Schedule DA - Part 1

**NONE**

Schedule DA - Verification

**NONE**

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE E – PART 2 – VERIFICATION**  
 (Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	401,665	978,070
2. Cost of cash equivalents acquired .....	1,847,072	1,936,064
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals .....	1,892,032	2,512,469
7. Deduct amortization of premium .....	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other-than-temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	356,705	401,665
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	356,705	401,665

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE BA - PART 2**

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Common Stocks - Unaffiliated												
000000-00-0.....	Monroe Capital Private Credit Fund.....	USA.....	.....	Monroe Capital Private Credit Fund.....	.....	01/22/2021.....	.....	0.....	50,000.....	0.....	0.....	0.....
000000-00-0.....	HarbourVest Direct Lending Fund (L) LP.....	USA.....	.....	HarbourVest Private Credit Fund.....	.....	08/30/2021.....	.....	0.....	48,000.....	0.....	0.....	0.....
000000-00-0.....	First Eagle Direct Lending V-B, LLC.....	USA.....	.....	First Eagle Direct Lending V-B, LLC.....	.....	07/27/2022.....	.....	228,055.....	35,625.....	0.....	0.....	0.....
1999999 - Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Common Stocks - Unaffiliated	.....	.....	.....	.....	.....	.....	.....	228,055.....	133,625.....	0.....	0.....	XXX.....
4899999 - Subtotals - Unaffiliated	.....	.....	.....	.....	.....	.....	.....	228,055.....	133,625.....	0.....	0.....	XXX.....
4999999 - Subtotals - Affiliated	.....	.....	.....	.....	.....	.....	.....	0.....	0.....	0.....	0.....	XXX.....
5099999 Totals	.....	.....	.....	.....	.....	.....	.....	228,055.....	133,625.....	0.....	0.....	XXX.....

**SCHEDULE BA - PART 3**

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/ Adjusted Carrying Value Less Encumbrances Prior Year	9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other-Than- Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10+11+12)	14 Total Foreign Exchange Change in B./A.C.V.	15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Common Stocks - Unaffiliated													0.....	0.....	0.....	0.....	0.....	0.....	0.....
000000-00-0.....	First Eagle Direct Lending V-B, LLC.....	USA.....	.....	First Eagle Direct Lending V-B, LLC.....	07/27/2022.....	09/29/2022.....	0.....	0.....	0.....	0.....	0.....	0.....	48,320.....	48,320.....	0.....	0.....	0.....	0.....	0.....
1999999 - Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Common Stocks - Unaffiliated	.....	.....	.....	.....	.....	.....	0.....	0.....	0.....	0.....	0.....	0.....	48,320.....	48,320.....	0.....	0.....	0.....	0.....	0.....
4899999 - Subtotals - Unaffiliated	.....	.....	.....	.....	.....	.....	0.....	0.....	0.....	0.....	0.....	0.....	48,320.....	48,320.....	0.....	0.....	0.....	0.....	0.....
4999999 - Subtotals - Affiliated	.....	.....	.....	.....	.....	.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....
5099999 Totals	.....	.....	.....	.....	.....	.....	0.....	0.....	0.....	0.....	0.....	0.....	48,320.....	48,320.....	0.....	0.....	0.....	0.....	0.....

E03

## STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
718814-X9-2	PHOENIX ARIZ		08/01/2022	Unknown	XXX	97,440	95,000	317	.1.B FE
0709999999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						97,440	95,000	317	XXX
2509999997 - Bonds - Subtotals - Bonds - Part 3						97,440	95,000	317	XXX
2509999999 - Bonds - Subtotals - Bonds						97,440	95,000	317	XXX
6009999999 Totals									
						97,440	XXX	317	XXX

E04

**STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY**

## **SCHEDULE D - PART 4**

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

GO  
E

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part E

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
JP Morgan Chase.....New York, NY.....		0.000			(11,433,555)	(11,433,555)	(12,666,519)	XXX.....
Northern Trust.....Chicago, IL.....		0.000	0	0	50,272	0	0	XXX.....
019998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX	0	0	0	0	0	XXX
019999 Total Open Depositories	XXX	XXX	0	0	(11,383,283)	(11,433,555)	(12,666,519)	XXX
039999 Total Cash on Deposit	XXX	XXX	0	0	(11,383,283)	(11,433,555)	(12,666,519)	XXX
049999 Cash in Company's Office	XXX	XXX	XXX	XXX	0	0	0	XXX
<b>059999 Total</b>	<b>XXX</b>	<b>XXX</b>	<b>0</b>	<b>0</b>	<b>(11,383,283)</b>	<b>(11,433,555)</b>	<b>(12,666,519)</b>	<b>XXX</b>

**STATEMENT AS OF SEPTEMBER 30, 2022 OF THE SONNENBERG MUTUAL INSURANCE COMPANY**

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

E14