

QUARTERLY STATEMENT
OF THE
Farm and Home Mutual Insurance Company

of
Paragould
in the state of
Arkansas

TO THE
Insurance Department
OF THE STATE OF
Arkansas

FOR THE QUARTER ENDED
MARCH 31, 2017

2017



QUARTERLY STATEMENT
AS OF MARCH 31, 2017
 OF THE CONDITION AND AFFAIRS OF THE
Farm and Home Mutual Insurance Company

NAIC Group Code 0000 , 0000 NAIC Company Code 14250 Employer's ID Number 71-0392332
(Current Period) (Prior Period)

Organized under the Laws of Arkansas , State of Domicile or Port of Entry AR

Country of Domicile United States of America

Incorporated/Organized 01/01/1949 Commenced Business 01/01/1966

Statutory Home Office 1201 West Court Street , Paragould, AR, US 72450
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1201 West Court Street
(Street and Number)
Paragould, AR, US 72450 (870)236-2208
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 1546 , Paragould, AR, US 72451
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1201 West Court Street
(Street and Number)
Paragould, AR, US 72450 (870)236-2208
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.unitedhomeins.com

Statutory Statement Contact Chandra L McGowan (870)236-2208-305
(Name) (Area Code)(Telephone Number)(Extension)
cmcgowan@unitedhomeins.com (870)236-5717
(E-Mail Address) (Fax Number)

OFFICERS

| <u>Name</u> | <u>Title</u> |
|------------------------|----------------|
| William Kyle Harris | President |
| Kelly Lewis Ford | Vice-President |
| Matthew Stephen Miller | Treasurer |
| Matthew Stephen Miller | Secretary |

OTHERS

DIRECTORS OR TRUSTEES

| | |
|------------------------|-----------------------|
| Kelly Lewis Ford | William Kyle Harris |
| Matthew Stephen Miller | Michael Thomas Harris |
| Michael Ray Cline | |

State of Arkansas
 County of Greene 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.

(Signature)
 William Kyle Harris
(Printed Name)
 1.
 President
(Title)

(Signature)
 Matthew Stephen Miller
(Printed Name)
 2.
 Secretary
(Title)

(Signature)
 Matthew Stephen Miller
(Printed Name)
 3.
 Treasurer
(Title)

Subscribed and sworn to before me this _____ day of _____, 2017

- 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[]

(Notary Public Signature)

ASSETS

| | Current Statement Date | | | 4 |
|---|------------------------|-----------------------|---|--|
| | 1 | 2 | 3 | December 31 Prior Year Net Admitted Assets |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 4,472,818 | | 4,472,818 | 4,407,685 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | | | | |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. Cash (\$.....2,107,338), cash equivalents (\$.....0) and short-term investments (\$.....0) | 2,107,338 | | 2,107,338 | 1,876,537 |
| 6. Contract loans (including \$.....0 premium notes) | | | | |
| 7. Derivatives | | | | |
| 8. Other invested assets | | | | |
| 9. Receivables for securities | | | | |
| 10. Securities lending reinvested collateral assets | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 6,580,156 | | 6,580,156 | 6,284,223 |
| 13. Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 40,007 | | 40,007 | 38,001 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 800,701 | | 800,701 | 817,217 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) | | | | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 242,191 | | 242,191 | 179,411 |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | | |
| 17. Amounts receivable relating to uninsured plans | | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 77,346 | | 77,346 | 100,869 |
| 18.2 Net deferred tax asset | 183,490 | | 183,490 | 184,721 |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | | | | |
| 21. Furniture and equipment, including health care delivery assets (\$.....0) | 532 | 532 | 0 | |
| 22. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | |
| 24. Health care (\$.....0) and other amounts receivable | | | | |
| 25. Aggregate write-ins for other-than-invested assets | | | | |
| 26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 7,924,423 | 532 | 7,923,891 | 7,604,441 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. TOTAL (Lines 26 and 27) | 7,924,423 | 532 | 7,923,891 | 7,604,441 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. | | | | |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | | |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1 Current Statement Date | 2 December 31, Prior Year |
|-----------------------------|--|--------------------------------|---------------------------------|
| 1. | Losses (current accident year \$.....834,685) | 1,089,154 | 857,298 |
| 2. | Reinsurance payable on paid losses and loss adjustment expenses | | |
| 3. | Loss adjustment expenses | 94,974 | 72,060 |
| 4. | Commissions payable, contingent commissions and other similar charges | 66,902 | 52,347 |
| 5. | Other expenses (excluding taxes, licenses and fees) | | |
| 6. | Taxes, licenses and fees (excluding federal and foreign income taxes) | | |
| 7.1 | Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) | | |
| 7.2 | Net deferred tax liability | | |
| 8. | Borrowed money \$.....0 and interest thereon \$.....0 | 100 | 100 |
| 9. | Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act) | 2,454,453 | 2,457,644 |
| 10. | Advance premium | 96,752 | 60,982 |
| 11. | Dividends declared and unpaid: | | |
| 11.1 | Stockholders | | |
| 11.2 | Policyholders | | |
| 12. | Ceded reinsurance premiums payable (net of ceding commissions) | | |
| 13. | Funds held by company under reinsurance treaties | | |
| 14. | Amounts withheld or retained by company for account of others | | |
| 15. | Remittances and items not allocated | | |
| 16. | Provision for reinsurance (including \$.....0 certified) | | |
| 17. | Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 18. | Drafts outstanding | | |
| 19. | Payable to parent, subsidiaries and affiliates | 126,551 | 187,322 |
| 20. | Derivatives | | |
| 21. | Payable for securities | | |
| 22. | Payable for securities lending | | |
| 23. | Liability for amounts held under uninsured plans | | |
| 24. | Capital notes \$.....0 and interest thereon \$.....0 | | |
| 25. | Aggregate write-ins for liabilities | | |
| 26. | TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25) | 3,928,884 | 3,687,754 |
| 27. | Protected cell liabilities | | |
| 28. | TOTAL liabilities (Lines 26 and 27) | 3,928,884 | 3,687,754 |
| 29. | Aggregate write-ins for special surplus funds | | |
| 30. | Common capital stock | | |
| 31. | Preferred capital stock | | |
| 32. | Aggregate write-ins for other-than-special surplus funds | | |
| 33. | Surplus notes | | |
| 34. | Gross paid in and contributed surplus | | |
| 35. | Unassigned funds (surplus) | 3,995,007 | 3,916,687 |
| 36. | Less treasury stock, at cost: | | |
| 36.1 |0 shares common (value included in Line 30 \$.....0) | | |
| 36.2 |0 shares preferred (value included in Line 31 \$.....0) | | |
| 37. | Surplus as regards policyholders (Lines 29 to 35, less 36) | 3,995,007 | 3,916,687 |
| 38. | TOTALS (Page 2, Line 28, Col. 3) | 7,923,891 | 7,604,441 |
| DETAILS OF WRITE-INS | | | |
| 2501. | | | |
| 2502. | | | |
| 2503. | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | |
| 2901. | Adjustment | | |
| 2902. | | | |
| 2903. | | | |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | |
| 2999. | TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) | | |
| 3201. | | | |
| 3202. | | | |
| 3203. | | | |
| 3298. | Summary of remaining write-ins for Line 32 from overflow page | | |
| 3299. | TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above) | | |

STATEMENT OF INCOME

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| UNDERWRITING INCOME | | | |
| 1. Premiums earned | | | |
| 1.1 Direct (written \$.....1,198,391) | 1,201,582 | 1,150,181 | 4,746,727 |
| 1.2 Assumed (written \$.....0) | | | |
| 1.3 Ceded (written \$.....0) | 70,390 | 62,785 | 270,184 |
| 1.4 Net (written \$.....1,198,391) | 1,131,192 | 1,087,396 | 4,476,543 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year \$.....0) | | | |
| 2.1 Direct | 746,072 | 772,839 | 2,110,952 |
| 2.2 Assumed | | | |
| 2.3 Ceded | 37,635 | 134,202 | 134,502 |
| 2.4 Net | 708,437 | 638,638 | 1,976,450 |
| 3. Loss adjustment expenses incurred | 58,811 | 42,535 | 176,475 |
| 4. Other underwriting expenses incurred | 359,499 | 367,260 | 1,492,289 |
| 5. Aggregate write-ins for underwriting deductions | | | |
| 6. TOTAL underwriting deductions (Lines 2 through 5) | 1,126,747 | 1,048,433 | 3,645,214 |
| 7. Net income of protected cells | | | |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7) | 4,446 | 38,963 | 831,329 |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 36,118 | 33,731 | 138,912 |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....0 | | | |
| 11. Net investment gain (loss) (Lines 9 + 10) | 36,118 | 33,731 | 138,912 |
| OTHER INCOME | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0) | | | |
| 13. Finance and service charges not included in premiums | 62,246 | 51,214 | 219,357 |
| 14. Aggregate write-ins for miscellaneous income | | | |
| 15. TOTAL other income (Lines 12 through 14) | 62,246 | 51,214 | 219,357 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 102,810 | 123,908 | 1,189,598 |
| 17. Dividends to policyholders | | | |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 102,810 | 123,908 | 1,189,598 |
| 19. Federal and foreign income taxes incurred | 23,522 | 35,659 | 375,460 |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 79,288 | 88,249 | 814,138 |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 3,916,687 | 3,091,616 | 3,091,616 |
| 22. Net income (from Line 20) | 79,288 | 88,249 | 814,138 |
| 23. Net transfers (to) from Protected Cell accounts | | | |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0 | | | |
| 25. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 26. Change in net deferred income tax | (1,232) | 3,027 | 9,872 |
| 27. Change in nonadmitted assets | 265 | 266 | 1,062 |
| 28. Change in provision for reinsurance | | | |
| 29. Change in surplus notes | | | |
| 30. Surplus (contributed to) withdrawn from Protected cells | | | |
| 31. Cumulative effect of changes in accounting principles | | | |
| 32. Capital changes: | | | |
| 32.1 Paid in | | | |
| 32.2 Transferred from surplus (Stock Dividend) | | | |
| 32.3 Transferred to surplus | | | |
| 33. Surplus adjustments: | | | |
| 33.1 Paid in | | | |
| 33.2 Transferred to capital (Stock Dividend) | | | |
| 33.3 Transferred from capital | | | |
| 34. Net remittances from or (to) Home Office | | | |
| 35. Dividends to stockholders | | | |
| 36. Change in treasury stock | | | |
| 37. Aggregate write-ins for gains and losses in surplus | | | |
| 38. Change in surplus as regards policyholders (Lines 22 through 37) | 78,321 | 91,542 | 825,072 |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 3,995,008 | 3,183,158 | 3,916,687 |
| DETAILS OF WRITE-INS | | | |
| 0501. | | | |
| 0502. | | | |
| 0503. | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | | |
| 3701. Correction of Prior Period DTA | | | |
| 3702. Federal Tax Adjustment for Prior Period | | | |
| 3703. Adjustment to surplus | | | |
| 3798. Summary of remaining write-ins for Line 37 from overflow page | | | |
| 3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above) | | | |

CASH FLOW

| | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|--|---------------------------------|-------------------------------|---|
| Cash from Operations | | | |
| 1. Premiums collected net of reinsurance | 1,180,286 | 1,128,678 | 4,590,788 |
| 2. Net investment income | 35,282 | 31,320 | 133,940 |
| 3. Miscellaneous income | 62,246 | 51,214 | 219,358 |
| 4. TOTAL (Lines 1 to 3) | 1,277,814 | 1,211,213 | 4,944,086 |
| 5. Benefit and loss related payments | 539,362 | 558,170 | 1,987,105 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 380,842 | 394,696 | 1,652,369 |
| 8. Dividends paid to policyholders | | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | | | 411,273 |
| 10. TOTAL (Lines 5 through 9) | 920,204 | 952,866 | 4,050,748 |
| 11. Net cash from operations (Line 4 minus Line 10) | 357,610 | 258,347 | 893,339 |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | | 100,000 | 200,000 |
| 12.2 Stocks | | | |
| 12.3 Mortgage loans | | | |
| 12.4 Real estate | | | |
| 12.5 Other invested assets | | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | | |
| 12.7 Miscellaneous proceeds | | | |
| 12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) | | 100,000 | 200,000 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 66,303 | 505,621 | 1,186,692 |
| 13.2 Stocks | | | |
| 13.3 Mortgage loans | | | |
| 13.4 Real estate | | | |
| 13.5 Other invested assets | | | |
| 13.6 Miscellaneous applications | | 438 | 438 |
| 13.7 TOTAL investments acquired (Lines 13.1 to 13.6) | 66,303 | 506,059 | 1,187,130 |
| 14. Net increase (or decrease) in contract loans and premium notes | | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (66,303) | (406,059) | (987,130) |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | | | |
| 16.2 Capital and paid in surplus, less treasury stock | | | |
| 16.3 Borrowed funds | | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | | |
| 16.5 Dividends to stockholders | | | |
| 16.6 Other cash provided (applied) | (60,506) | 228,949 | 83,809 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | (60,506) | 228,949 | 83,809 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 230,801 | 81,237 | (9,982) |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 1,876,537 | 1,886,519 | 1,886,519 |
| 19.2 End of period (Line 18 plus Line 19.1) | 2,107,338 | 1,967,756 | 1,876,537 |

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

| | | | | |
|---------|--|--|--|--|
| 20.0001 | | | | |
|---------|--|--|--|--|

Notes to Financial Statement**1. Summary of Significant Accounting Policies****A. Accounting Practices**

- A. The financial statements of United Home Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department. The National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed or permitted practices by the state of Arkansas.
- B. 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 financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- C. Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance. Expenses incurred in connection with acquiring new insurance business, including such acquisition cost as sales commissions, are charged to operations as incurred. In addition the company also uses the following accounting policies:
- Short term investments, if any, are listed at cost
 - Bonds are stated at amortized cost using the interest method.
 - Publically traded common stocks, if any, are listed at market value
 - No preferred stock
 - No mortgage loans
 - Book value for mortgage-backed securities is the cost of remaining principal plus accrual of the discount or less amortization of the premium over the life of the bond to maturity
 - See # 3
 - No joint ventures, partnerships or LLC's
 - No derivatives
 - No anticipated investment income utilized in calculations
 - Case loss reserve estimates per onsite inspection of damage with IBNR tied to historical norms. There are no liability exposures to toxic waste, asbestos, ect.
 - Company has not changed its capitalization policy form prior period
 - No pharmaceutical rebate receivable

| | SSAP # | F/S Page | F/S Line # | 2017 | 2016 |
|---|--------|----------|------------|-----------|-----------|
| NET INCOME | | | | | |
| (1) State basis (Page 4, Line 20, Columns 1 & 3) | XXX | XXX | XXX | 79,288 | 814,138 |
| (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) | XXX | XXX | XXX | 79,288 | 814,138 |
| SURPLUS | | | | | |
| (5) State basis (Page 3, Line 37, Columns 1 & 2) | XXX | XXX | XXX | 3,995,007 | 3,916,687 |
| (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) | XXX | XXX | XXX | 3,995,007 | 3,916,687 |

2. Accounting Changes and Corrections of Errors

The Company did not have any material changes in accounting principles and/or corrections of errors.

3. Business Combinations and Goodwill

Not applicable. The Company did not have any business combinations.

4. Discontinued Operations

Not applicable. The Company did not discontinue any of its operations.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not Applicable. The Company has no investments in real estate mortgage loans
- B. Debt Restructuring
Not Applicable. The Company did not have any debt investments restructured during 2016.
- C. Reverse Mortgages
Not Applicable. The Company has no investments in reverse mortgages.
- D. Loan-Backed Securities
Not Applicable. The Company has no investments in loan-backed securities
- E. Repurchase Agreements and/or Securities Lending Transactions
Not Applicable. The Company has no investments in repurchase agreement securities requiring collateral.
- F. Real Estate
Not Applicable.
- G. Investments in Low-Income Housing Tax Credits (LIHTC)

Notes to Financial Statement

Not applicable

H. Restricted Assets

As of 03/31/2017 United Home Insurance Company had restricted assets on deposit with Arkansas Insurance Department valued at 70,000.

(1) Restricted Assets (Including Pledged)

| Restricted Asset Category | Gross (Admitted & Nonadmitted) Restricted | | | | | | Current Year | | | | |
|---|---|---|---|--|-----------------------|----------------------------|---------------------------------------|-----------------------------------|--|---|--|
| | Current Year | | | | | 6 Total From Prior Year | 7 Increase/ (Decrease) (5 minus 6) | 8 Total Nonadmitted Restricted | 9 Total Admitted Restricted (5 minus 8) | Percentage | |
| | 1 Total General Account (G/A) | 2 G/A Supporting Protected Cell Account Activity (a) | 3 Total Protected Cell Account Restricted Assets | 4 Protected Cell Account Assets Supporting G/A Activity (b) | 5 Total (1 plus 3) | | | | | 10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c) | 11 Admitted Restricted to Total Admitted Assets (d) |
| (a) Subject to contractual obligation for which liability is not shown | | | | | | | | | | % | % |
| (b) Collateral held under security lending agreements | | | | | | | | | | % | % |
| (c) Subject to repurchase agreements | | | | | | | | | | % | % |
| (d) Subject to reverse repurchase agreements | | | | | | | | | | % | % |
| (e) Subject to dollar repurchase agreements | | | | | | | | | | % | % |
| (f) Subject to dollar reverse repurchase agreements | | | | | | | | | | % | % |
| (g) Placed under option contracts | | | | | | | | | | % | % |
| (h) Letter stock or securities restricted as to sale – excluding FHLB capital stock | | | | | | | | | | % | % |
| (i) FHLB capital stock | | | | | | | | | | % | % |
| (j) On deposit with states | 70,000 | | | | 70,000 | 70,000 | | | 70,000 | .920% | .921% |
| (k) On deposit with other regulatory bodies | | | | | | | | | | % | % |
| (l) Pledged as collateral to FHLB (including assets backing funding agreements) | | | | | | | | | | % | % |
| (m) Pledged as collateral not captured in other categories | | | | | | | | | | % | % |
| (n) Other restricted assets | | | | | | | | | | % | % |
| (o) Total Restricted Assets | 70,000 | | | | 70,000 | 70,000 | | | 70,000 | .920% | .921% |

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

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

I. Working Capital Finance Investments
Not Applicable.J. Offsetting and Netting of Assets and Liabilities
Not Applicable.K. Structured Notes
Not ApplicableL. 5* Securities – None
Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company does not have any investments in joint ventures that exceed 10% of admitted assets.

B. The Company did not recognize any impairment in its joint ventures

7. Investment Income

The Company does not have any investment income due and accrued over 90 days past due and does not have any amounts excluded from surplus

8. Derivative Instruments

Not applicable. The Company does not invest in derivative type investments

9. Income Taxes

Notes to Financial Statement

A. The components of the net deferred tax asset/(liability) at March 31, 2017 are as follows:

1.

| Description | 03/31/2017 | | | 12/31/2016 | | | Change | | |
|--|-----------------|----------------|------------------------------|-----------------|----------------|------------------------------|------------------------------------|--------------------------------|---------------------------------|
| | (1) Ordinary | (2) Capital | (3) (Col. 1 + 2) Total | (4) Ordinary | (5) Capital | (6) (Col. 4 + 5) Total | (7) (Col. 1 - 4) Ordinary | (8) (Col. 2 - 5) Capital | (9) (Col. 7 + 8) Total |
| (a) Gross Deferred Tax Assets | 176,638 | 6,852 | 183,490 | 178,266 | 6,455 | 184,721 | (1,628) | 397 | (1,231) |
| (b) Statutory Valuation Allowance Adjustments | | | | | | | | | |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b) | 176,638 | 6,852 | 183,490 | 178,266 | 6,455 | 184,721 | (1,628) | 397 | (1,231) |
| (d) Deferred Tax Assets Nonadmitted | | | | | | | | | |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | 176,638 | 6,852 | 183,490 | 178,266 | 6,455 | 184,721 | (1,628) | 397 | (1,231) |
| (f) Deferred Tax Liabilities | | | | | | | | | |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | 176,638 | 6,852 | 183,490 | 178,266 | 6,455 | 184,721 | (1,628) | 397 | (1,231) |

2.

| Admission Calculation Components SSAP No. 101 | 03/31/2017 | | | 12/31/2016 | | | Change | | |
|--|-----------------|----------------|------------------------------|-----------------|----------------|------------------------------|---------------------------------|--------------------------------|------------------------------|
| | (1) Ordinary | (2) Capital | (3) (Col. 1 + 2) Total | (4) Ordinary | (5) Capital | (6) (Col. 4 + 5) Total | (7) (Col. 1 - 4) Ordinary | (8) (Col. 2 - 5) Capital | (9) (Col. 7 + 8) Total |
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks | | | | | | | | | |
| (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) Above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 below) | 176,638 | 6,852 | 183,490 | 178,266 | 6,455 | 184,721 | (1,628) | 397 | (1,231) |
| 1 Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date | | | | | | | | | |
| 2 Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold | XXX | XXX | | XXX | XXX | | XXX | XXX | |
| (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 | | | | | | | | | |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c)) | 176,628 | 6,852 | 183,490 | 178,266 | 6,455 | 184,721 | (1,628) | 397 | (1,231) |

3.

| Description | 2017 | 2016 |
|---|-----------|-----------|
| (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. | 704.70 | 704.70 |
| (b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above. | 3,731,966 | 3,731,966 |

4. Impact of Tax Planning Strategies

| Impact of Tax-Planning Strategies | 03/31/2017 | | 12/31/2016 | | Change | |
|--|-----------------|----------------|-----------------|----------------|---------------------------------|--------------------------------|
| | (1) Ordinary | (2) Capital | (3) Ordinary | (4) Capital | (5) (Col. 1 - 3) Ordinary | (6) (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) | 176,638 | 6,852 | 178,266 | 6,455 | (1,628) | 397 |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies | | | | | | |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e) | 176,638 | 6,852 | 178,266 | 6,455 | (1,628) | 397 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | | | | | | |

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes No

B. Regarding deferred tax liabilities that are not recognized:

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

| Description | (1) 03/31/2017 | (2) 12/31/2016 | (3) (Col. 1 - 2) Change |
|--|-------------------|-------------------|----------------------------|
| 1. Current Income Tax | | | |
| (a) Federal | 23,522 | 375,460 | (351,938) |
| (b) Foreign | | | |
| (c) Subtotal | 23,522 | 375,460 | (351,938) |
| (d) Federal income tax on net capital gains | | | |
| (e) Utilization of capital loss carry-forwards | | | |
| (f) Other | | | |
| (g) Federal and foreign income taxes incurred | 23,522 | 375,460 | (351,938) |
| 2. Deferred Tax Assets: | | | |

Notes to Financial Statement

| | | | |
|--|---------|---------|---------|
| (a) Ordinary | | | |
| (1) Discounting of unpaid losses | 9,735 | 11,146 | (1,411) |
| (2) Unearned premium reserve | 166,904 | 167,121 | (217) |
| (3) Policyholder reserves | | | |
| (4) Investments | | | |
| (5) Deferred acquisition costs | | | |
| (6) Policyholder dividends accrual | | | |
| (7) Fixed assets | | | |
| (8) Compensation and benefits accrual | | | |
| (9) Pension accrual | | | |
| (10) Receivables – nonadmitted | | | |
| (11) Net operating loss carry-forward | | | |
| (12) Tax credit carry-forward | | | |
| (13) Other (including items < 5% of total ordinary tax assets) | | | |
| (99) Subtotal | 176,639 | 178,267 | (1,628) |
| (b) Statutory valuation allowance adjustment | | | |
| (c) Nonadmitted | | | |
| (d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c) | 176,639 | 178,267 | (1,628) |
| (e) Capital: | | | |
| (1) Investments | 6,851 | 6,455 | 396 |
| (2) Net capital loss carry-forward | | | |
| (3) Real estate | | | |
| (4) Other (including items < 5% of total capital tax assets) | | | |
| (99) Subtotal | 6,851 | 6,455 | 396 |
| (f) Statutory valuation allowance adjustment | | | |
| (g) Nonadmitted | | | |
| (h) Admitted capital deferred tax assets (2e99 – 2f – 2g) | 6,851 | 6,455 | 396 |
| (i) Admitted deferred tax assets (2d + 2h) | 183,490 | 184,722 | (1,232) |
| 3. Deferred Tax Liabilities: | | | |
| (a) Ordinary | | | |
| (1) Investments | | | |
| (2) Fixed assets | | | |
| (3) Deferred and uncollected premium | | | |
| (4) Policyholder reserves | | | |
| (5) Other (including items < 5% of total ordinary tax liabilities) | | | |
| (99) Subtotal | | | |
| (b) Capital: | | | |
| (1) Investments | | | |
| (2) Real estate | | | |
| (3) Other (including items < 5% of total capital tax liabilities) | | | |
| (99) Subtotal | | | |
| (c) Deferred tax liabilities (3a99 + 3b99) | | | |
| 4. Net deferred tax assets/liabilities (2i – 3c) | 183,490 | 184,722 | (1,232) |

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

- A. Farm and Home Mutual Insurance Company is managed by Farmers Home Holding Company an Arkansas C Corporation
B. Farm and Home Mutual Insurance has made the following payments to Farmers Home Holding Company for management fees:

1. 01/24/2017 \$187,321.79

- C. See item B
D. As of 03/31/2017 Farm and Home Mutual Insurance Company has a liability on its books for \$126,550.52 due to Farmers Home Holding Company
E. Not Applicable
F. Not Applicable
G. Not Applicable
H. Not Applicable
I. Not Applicable
J. Not Applicable
K. Not Applicable
L. Not Applicable

11. Debt

- A. Debt
The company has no capital notes. It does have a \$50,000 line of credit with First National Bank of Paragould, AR. The outstanding balance as of 03/31/2017 was \$100. This line of credit is collateralized by a \$254,539.27 certificate of deposit at the same bank.
B. FHLB (Federal Home Loan Bank) Agreements
Not Applicable.

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

Not Applicable

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

Not Applicable

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments
The Company has no commitments, contingent commitments or guarantees or commitments to provide additional capital contributions.
B. Assessments
Not Applicable.
C. Gain Contingencies
The Company has recorded no gain contingencies as of March 31, 2017.
D. Claims Related to Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

Notes to Financial Statement

The Company has no claims related to extra contractual obligations or bad faith losses.

- E. Product Warranties
Not Applicable.
- F. Joint and Several Liabilities
Not Applicable.
- G. All Other Contingencies
In the normal course of business, the Company is subject to various contingent liabilities, including possible income tax assessment resulting from issues raised by taxing or regulatory authorities in their regular examinations. Management does not anticipate any significant losses or costs to result from any known or existing contingencies.

There are no material legal proceedings other than those arising in the normal course of business and which generally pertain to claim matters relating to insurance policies and contracts issued by the Company.

15. Leases

- A. Lessee Operating Lease
Not Applicable.
- B. Lessor Leases
Not Applicable.

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

The Company does not invest in swaps, futures, derivatives or options.

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

Not Applicable.

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

The Company does not write insurance for these types of A&H Plans.

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

Not Applicable.

20. Fair Value Measurements

As of March 31, 2017, there are no assets on the books that are required to be measured at fair value.

21. Other Items

- A. Unusual or Infrequent Items
Not Applicable.
- B. Troubled Debt Restructuring
Not Applicable.
- C. Other Disclosures
Not Applicable
- D. Business Interruption Insurance Recoveries
Not Applicable
- E. State Transferable and Non-transferable Tax Credits
Not Applicable
- F. Subprime-Mortgage-Related Risk Exposure
Not Applicable
- G. Insurance-Linked Securities (ILS) Contracts
Not Applicable

22. Events Subsequent

There were no material events subsequent to March 31, 2017.

23. Reinsurance

- A. Unsecured Reinsurance Recoverable
Not Applicable
- B. Reinsurance Recoverable in Dispute
Not Applicable
- C. Reinsurance Assumed and Ceded
Not Applicable
- 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

Notes to Financial Statement

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not participate in this type of business

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for losses and loss adjustment expenses as of December 31, 2016 were \$929,358. As of March 31, 2017, \$170,612.07 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$294,501.15 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore there has been no favorable prior year development from December 31, 2016 to March 31, 2017. The change is generally the result of ongoing analysis of the recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims

26. Intercompany Pooling Arrangements

The Company does not participate in any intercompany pooling arrangements.

27. Structured Settlements

Not Applicable.

28. Health Care Receivables

Not Applicable.

29. Participating Policies

Not Applicable.

30. Premium Deficiency Reserves

As of March 31, 2017, the Company did not have any liabilities related to premium deficiency reserves.

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 and loss adjustment expenses.

33. Asbestos/Environmental Reserves

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

34. Subscriber Savings Accounts

The Company does not utilize subscriber savings accounts.

35. Multiple Peril Crop Insurance

The Company does not write Multiple Peril Crop Insurance

36. Financial Guaranty Insurance

The Company does not write Financial Guaranty Insurance.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 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[] N/A[X]

- 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[] No[X]
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:

- 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[] N/A[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. 12/31/2014
- 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. 12/31/2014
- 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). 01/21/2016
- 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[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]

- 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 |
|---------------------|-----------------------------|--------------|--------------|--------------|--------------|
| | | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] |

- 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: \$ 0

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[] No[X]

GENERAL INTERROGATORIES (Continued)

INVESTMENT

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 | | |
| 14.22 Preferred Stock | | |
| 14.23 Common Stock | | |
| 14.24 Short-Term Investments | | |
| 14.25 Mortgages Loans on Real Estate | | |
| 14.26 All Other | | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | | |

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

Yes No
Yes No N/A

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

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 |
|-----------------------------|--|
| Morgan Stanley | 1585 Broadway, New York, NY 10036 |
| Arkansas Bankers Bank | 1020 West 2nd Street, Little Rock AR 72201 |

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) |
|--------------|------------------|------------------------------|
| | | |

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

Yes No

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 |
|---------------------------------|------------------|
| | |

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

Yes No

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

Yes No

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 No

18.2 If no, list exceptions:

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?
If yes, attach an explanation. Yes[] No[] N/A[X]
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?
If yes, attach an explanation. Yes[] No[X]
- 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:

| 1 Line of Business | 2 Maximum Interest | 3 Discount Rate | TOTAL DISCOUNT | | | | DISCOUNT TAKEN DURING PERIOD | | | |
|-----------------------|-----------------------|--------------------|--------------------|-----------------|-----------|------------|------------------------------|-----------------|------------|-------------|
| | | | 4 Unpaid Losses | 5 Unpaid LAE | 6 IBNR | 7 TOTAL | 8 Unpaid Losses | 9 Unpaid LAE | 10 IBNR | 11 TOTAL |
| 04.2999 Total | | | | | | | | | | |

5. Operating Percentages:
 5.1 A&H loss percent 0.000%
 5.2 A&H cost containment percent 0.000%
 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 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. \$ 0
 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. \$ 0

SCHEDULE F - CEDED REINSURANCE
Showing all new reinsurers - Current Year to Date

| 1 NAIC Company Code | 2 ID Number | 3 Name of Reinsurer | 4 Domiciliary Jurisdiction | 5 Type of Reinsurer | 6 Certified Reinsurer Rating (1 through 6) | 7 Effective Date of Certified Reinsurer Rating |
|------------------------------|----------------|---------------------------|----------------------------------|---------------------------|---|---|
| | | | NONE | | | |
| | | | | | | |

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**Current Year to Date - Allocated by States and Territories**

| States, etc. | 1 Active Status | 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 | | | | | | |
| 2. Alaska (AK) | N | | | | | | |
| 3. Arizona (AZ) | N | | | | | | |
| 4. Arkansas (AR) | L | 1,198,391 | 1,165,815 | 539,362 | 558,170 | 1,096,553 | 976,896 |
| 5. California (CA) | N | | | | | | |
| 6. Colorado (CO) | N | | | | | | |
| 7. Connecticut (CT) | N | | | | | | |
| 8. Delaware (DE) | N | | | | | | |
| 9. District of Columbia (DC) | N | | | | | | |
| 10. Florida (FL) | N | | | | | | |
| 11. Georgia (GA) | N | | | | | | |
| 12. Hawaii (HI) | N | | | | | | |
| 13. Idaho (ID) | N | | | | | | |
| 14. Illinois (IL) | N | | | | | | |
| 15. Indiana (IN) | N | | | | | | |
| 16. Iowa (IA) | N | | | | | | |
| 17. Kansas (KS) | N | | | | | | |
| 18. Kentucky (KY) | N | | | | | | |
| 19. Louisiana (LA) | N | | | | | | |
| 20. Maine (ME) | N | | | | | | |
| 21. Maryland (MD) | N | | | | | | |
| 22. Massachusetts (MA) | N | | | | | | |
| 23. Michigan (MI) | N | | | | | | |
| 24. Minnesota (MN) | N | | | | | | |
| 25. Mississippi (MS) | N | | | | | | |
| 26. Missouri (MO) | N | | | | | | |
| 27. Montana (MT) | N | | | | | | |
| 28. Nebraska (NE) | N | | | | | | |
| 29. Nevada (NV) | N | | | | | | |
| 30. New Hampshire (NH) | N | | | | | | |
| 31. New Jersey (NJ) | N | | | | | | |
| 32. New Mexico (NM) | N | | | | | | |
| 33. New York (NY) | N | | | | | | |
| 34. North Carolina (NC) | N | | | | | | |
| 35. North Dakota (ND) | N | | | | | | |
| 36. Ohio (OH) | N | | | | | | |
| 37. Oklahoma (OK) | N | | | | | | |
| 38. Oregon (OR) | N | | | | | | |
| 39. Pennsylvania (PA) | N | | | | | | |
| 40. Rhode Island (RI) | N | | | | | | |
| 41. South Carolina (SC) | N | | | | | | |
| 42. South Dakota (SD) | N | | | | | | |
| 43. Tennessee (TN) | N | | | | | | |
| 44. Texas (TX) | N | | | | | | |
| 45. Utah (UT) | N | | | | | | |
| 46. Vermont (VT) | N | | | | | | |
| 47. Virginia (VA) | N | | | | | | |
| 48. Washington (WA) | N | | | | | | |
| 49. West Virginia (WV) | N | | | | | | |
| 50. Wisconsin (WI) | N | | | | | | |
| 51. Wyoming (WY) | N | | | | | | |
| 52. American Samoa (AS) | N | | | | | | |
| 53. Guam (GU) | N | | | | | | |
| 54. Puerto Rico (PR) | N | | | | | | |
| 55. U.S. Virgin Islands (VI) | N | | | | | | |
| 56. Northern Mariana Islands (MP) | N | | | | | | |
| 57. Canada (CAN) | N | | | | | | |
| 58. Aggregate other alien (OT) | X X X | | | | | | |
| 59. Totals | (a) 1 | 1,198,391 | 1,165,815 | 539,362 | 558,170 | 1,096,553 | 976,896 |
| DETAILS OF WRITE-INS | | | | | | | |
| 58001 | X X X | | | | | | |
| 58002 | X X X | | | | | | |
| 58003 | X X X | | | | | | |
| 58998 Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | |
| 58999 TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X | | | | | | |

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile - see DSLI); (D) DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of D and L responses except for Canada and Other Alien.

11 Schedule Y Part 1 NONE

12 Schedule Y Part 1A - Detail of Insurance Holding Company System NONE

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 | 101,027 | (44,897) | (44.440) | (123.697) |
| 2. Allied lines | 165,209 | 13,686 | 8.284 | 22.839 |
| 3. Farmowners multiple peril | | | | |
| 4. Homeowners multiple peril | 924,011 | 777,282 | 84.121 | 94.526 |
| 5. Commercial multiple peril | | | | |
| 6. Mortgage guaranty | | | | |
| 8. Ocean marine | | | | |
| 9. Inland marine | | | | |
| 10. Financial guaranty | | | | |
| 11.1 Medical professional liability - occurrence | | | | |
| 11.2 Medical professional liability - claims made | | | | |
| 12. Earthquake | | | | |
| 13. Group accident and health | | | | |
| 14. Credit accident and health | | | | |
| 15. Other accident and health | | | | |
| 16. Workers' compensation | | | | |
| 17.1 Other liability - occurrence | 9,939 | | | |
| 17.2 Other liability - claims made | | | | |
| 17.3 Excess Workers' Compensation | | | | |
| 18.1 Products liability - occurrence | | | | |
| 18.2 Products liability - claims made | | | | |
| 19.1 19.2 Private passenger auto liability | | | | |
| 19.3 19.4 Commercial auto liability | | | | |
| 21. Auto physical damage | | | | |
| 22. Aircraft (all perils) | | | | |
| 23. Fidelity | | | | |
| 24. Surety | | | | |
| 26. Burglary and theft | 1,397 | | | (100.409) |
| 27. Boiler and machinery | | | | |
| 28. Credit | | | | |
| 29. International | | | | |
| 30. Warranty | | | | |
| 31. Reinsurance-Nonproportional Assumed Property | X X X | X X X | X X X | X X X |
| 32. Reinsurance-Nonproportional Assumed Liability | X X X | X X X | X X X | X X X |
| 33. Reinsurance-Nonproportional Assumed Financial Lines | X X X | X X X | X X X | X X X |
| 34. Aggregate write-ins for other lines of business | | | | |
| 35. TOTALS | 1,201,582 | 746,072 | 62.091 | 67.193 |
| DETAILS OF WRITE-INS | | | | |
| 3401. 0 | | | | |
| 3402. | | | | |
| 3403. | | | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | | | |
| 3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | | |

PART 2 - DIRECT PREMIUMS WRITTEN

| Line of Business | 1 | 2 | 3 |
|---|--------------------|-------------------------|----------------------------|
| | Current Quarter | Current Year to Date | Prior Year Year to Date |
| 1. Fire | 84,361 | 84,361 | 90,334 |
| 2. Allied lines | 138,482 | 138,482 | 148,102 |
| 3. Farmowners multiple peril | | | |
| 4. Homeowners multiple peril | 964,112 | 964,112 | 915,929 |
| 5. Commercial multiple peril | | | |
| 6. Mortgage guaranty | | | |
| 8. Ocean marine | | | |
| 9. Inland marine | | | |
| 10. Financial guaranty | | | |
| 11.1 Medical professional liability - occurrence | | | |
| 11.2 Medical professional liability - claims made | | | |
| 12. Earthquake | | | |
| 13. Group accident and health | | | |
| 14. Credit accident and health | | | |
| 15. Other accident and health | | | |
| 16. Workers' compensation | | | |
| 17.1 Other liability - occurrence | 10,464 | 10,464 | 10,427 |
| 17.2 Other liability - claims made | | | |
| 17.3 Excess Workers' Compensation | | | |
| 18.1 Products liability - occurrence | | | |
| 18.2 Products liability - claims made | | | |
| 19.1 19.2 Private passenger auto liability | | | |
| 19.3 19.4 Commercial auto liability | | | |
| 21. Auto physical damage | | | |
| 22. Aircraft (all perils) | | | |
| 23. Fidelity | | | |
| 24. Surety | | | |
| 26. Burglary and theft | 972 | 972 | 1,023 |
| 27. Boiler and machinery | | | |
| 28. Credit | | | |
| 29. International | | | |
| 30. Warranty | | | |
| 31. Reinsurance-Nonproportional Assumed Property | X X X | X X X | X X X |
| 32. Reinsurance-Nonproportional Assumed Liability | X X X | X X X | X X X |
| 33. Reinsurance-Nonproportional Assumed Financial Lines | X X X | X X X | X X X |
| 34. Aggregate write-ins for other lines of business | | | |
| 35. TOTALS | 1,198,391 | 1,198,391 | 1,165,815 |
| DETAILS OF WRITE-INS | | | |
| 3401. | | | |
| 3402. | | | |
| 3403. | | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | | |
| 3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | |

PART 3 (000 omitted)
LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|--|---|---|--|--|--|--|---|--|--------------------------------------|--|--|--|--|
| Years in Which Losses Occurred | Prior Year-End Known Case Loss and LAE Reserves | Prior Year-End IBNR Loss and LAE Reserves | Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2) | 2017 Loss and LAE Payments on Claims Reported as of Prior Year-End | 2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End | Total 2017 Loss and LAE Payments (Cols. 4 + 5) | Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End | Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End | Q.S. Date IBNR Loss and LAE Reserves | Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9) | Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1) | Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | Prior Year-End Total Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 11 + 12) |
| 1. 2014 + Prior | | | | | | | | | | | | | |
| 2. 2015 | 92 | 210 | 302 | 100 | | 100 | 12 | | 10 | 22 | 20 | (200) | (180) |
| 3. Subtotals 2015 + Prior | 92 | 210 | 302 | 100 | | 100 | 12 | | 10 | 22 | 20 | (200) | (180) |
| 4. 2016 | 217 | 410 | 627 | 70 | 40 | 110 | 115 | 23 | 127 | 265 | (32) | (220) | (252) |
| 5. Subtotals 2016 + Prior | 309 | 620 | 929 | 170 | 40 | 210 | 127 | 23 | 137 | 287 | (12) | (420) | (432) |
| 6. 2017 | X X X | X X X | X X X | X X X | 303 | 303 | X X X | 484 | 413 | 897 | X X X | X X X | X X X |
| 7. Totals | 309 | 620 | 929 | 170 | 343 | 513 | 127 | 507 | 550 | 1,184 | (12) | (420) | (432) |
| 8. Prior Year-End Surplus As Regards Policyholders | 3,916,687 | | | | | | | | | | Col. 11, Line 7 As % of Col. 1 Line 7 1..... (3.884) | Col. 12, Line 7 As % of Col. 2 Line 7 2..... (67.742) | Col. 13, Line 7 As % of Col. 3 Line 7 3..... (46.502) |
| | | | | | | | | | | | | | Col. 13, Line 7 Line 8 4..... (0.011) |

Q14

STATEMENT OF INCOME

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| 0597. Summary of remaining write-ins for Line 5 (Lines 0504 through 0596) | | | |
| 1404. | | | |
| 1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496) | | | |
| 3704. Depreciation on Non Admitted Assets | | | |
| 3797. Summary of remaining write-ins for Line 37 (Lines 3704 through 3796) | | | |

STATEMENT AS OF **March 31, 2017** OF THE **Farm and Home 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 | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | | |
| 5. Deduct amounts received on disposals | | |
| 6. Total foreign exchange change in book/adjusted carrying value | | |
| 7. Deduct current year's other-than-temporary impairment recognized | | |
| 8. Deduct current year's depreciation | | |
| 9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) | | |
| 10. Deduct total nonadmitted amounts | | |
| 11. Statement value at end of current period (Line 9 minus Line 10) | | |

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

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 | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and depreciation | | |
| 9. Total foreign exchange change in book/adjusted carrying value | | |
| 10. Deduct current year's other-than-temporary impairment recognized | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | | |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

NONE

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 | 4,407,685 | 3,419,792 |
| 2. Cost of bonds and stocks acquired | 66,303 | 1,186,692 |
| 3. Accrual of discount | 367 | 8,860 |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | 438 |
| 6. Deduct consideration for bonds and stocks disposed of | | 200,000 |
| 7. Deduct amortization of premium | 1,537 | 8,096 |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other-than-temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 4,472,818 | 4,407,685 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 4,472,818 | 4,407,685 |

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**

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|--|---|---|---|--|---|--|--|
| NAIC Designation | Book/Adjusted Carrying Value Beginning of Current Quarter | Acquisitions During Current Quarter | Dispositions During Current Quarter | Non-Trading Activity During Current Quarter | Book/Adjusted Carrying Value End of First Quarter | Book/Adjusted Carrying Value End of Second Quarter | Book/Adjusted Carrying Value End of Third Quarter | Book/Adjusted Carrying Value December 31 Prior Year |
| BONDS | | | | | | | | |
| 1. NAIC 1 (a) | 4,407,685 | 66,303 | | (1,170) | 4,472,818 | | | 4,407,685 |
| 2. NAIC 2 (a) | | | | | | | | |
| 3. NAIC 3 (a) | | | | | | | | |
| 4. NAIC 4 (a) | | | | | | | | |
| 5. NAIC 5 (a) | | | | | | | | |
| 6. NAIC 6 (a) | | | | | | | | |
| 7. Total Bonds | 4,407,685 | 66,303 | | (1,170) | 4,472,818 | | | 4,407,685 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1 | | | | | | | | |
| 9. NAIC 2 | | | | | | | | |
| 10. NAIC 3 | | | | | | | | |
| 11. NAIC 4 | | | | | | | | |
| 12. NAIC 5 | | | | | | | | |
| 13. NAIC 6 | | | | | | | | |
| 14. Total Preferred Stock | | | | | | | | |
| 15. Total Bonds & Preferred Stock | 4,407,685 | 66,303 | | (1,170) | 4,472,818 | | | 4,407,685 |

(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

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SI03 Schedule DA Part 1 NONE

SI03 Schedule DA Verification NONE

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

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 or Market Indicator (a) |
|---|-------------------------------|--------------|--------------------|------------------------|-----------------------------------|------------------|----------------|---|---|
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | | | | |
| 850272P74 | Springdale AR Sch Dist 6/1/41 | | 03/14/2017 | Morgan Stanley | X X X | 66,302 | 65,000 | 203 | 1Z |
| 2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | X X X | 66,302 | 65,000 | 203 | X X X |
| 8399997 Subtotal - Bonds - Part 3 | | | | | X X X | 66,302 | 65,000 | 203 | X X X |
| 8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly) | | | | | X X X | X X X | X X X | X X X | X X X |
| 8399999 Subtotal - Bonds | | | | | X X X | 66,302 | 65,000 | 203 | X X X |
| 8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) | | | | | X X X | X X X | X X X | X X X | X X X |
| 9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | | X X X | X X X | X X X | X X X | X X X |
| 9899999 Subtotal - Preferred and Common Stocks | | | | | X X X | X X X | X X X | X X X | X X X |
| 9999999 Total - Bonds, Preferred and Common Stocks | | | | | X X X | 66,302 | X X X | 203 | X X X |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E05 Schedule D Part 4 NONE

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

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 | |
| open depositories | | | | | | | | | |
| Checking Account | Paragould, AR | | | | | 1,308,759 | 1,501,279 | 1,594,793 | X X X |
| CD-FNB | Paragould, AR | 11/05/2014 | | | | 254,539 | 254,539 | 254,539 | X X X |
| CD Focus Bank-3002650 | Paragould, AR | 12/31/2016 | | | | 87,061 | 87,061 | 87,318 | X X X |
| CD Focus Bank-3014848 | Paragould, AR | 09/26/2016 | | | | 180,023 | 180,023 | 180,578 | X X X |
| Morgan Stanley Money Market | | | | | | 25,875 | 51,345 | (9,941) | X X X |
| 0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories | | X X X | X X X | | | | | | X X X |
| 0199999 Totals - Open Depositories | | X X X | X X X | | | 1,856,257 | 2,074,246 | 2,107,288 | X X X |
| 0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories | | X X X | X X X | | | | | | X X X |
| 0299999 Totals - Suspended Depositories | | X X X | X X X | | | | | | X X X |
| 0399999 Total Cash On Deposit | | X X X | X X X | | | 1,856,257 | 2,074,246 | 2,107,288 | X X X |
| 0499999 Cash in Company's Office | | X X X | X X X | X X X | X X X | 50 | 50 | 50 | X X X |
| 0599999 Total Cash | | X X X | X X X | | | 1,856,307 | 2,074,296 | 2,107,338 | X X X |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 Description | 2 Code | 3 Date Acquired | 4 Rate of Interest | 5 Maturity Date | 6 Book/Adjusted Carrying Value | 7 Amount of Interest Due & Accrued | 8 Amount Received During Year |
|--|-----------|-----------------------|--------------------------|-----------------------|--------------------------------------|---|-------------------------------------|
| N O N E | | | | | | | |
| 8699999 Total - Cash Equivalents | | | | | | | |

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Prior Period Data for Non-required Crosschecks

| Prior Period Statement Location | | 1 Amount |
|---------------------------------|--|-------------|
| 1. | 2016 Annual, Page 2, Assets, Line 01, Column 3 | 4,407,685 |
| 2. | 2016 Annual, Page 2, Assets, Line 05, Column 1 | 1,876,537 |
| 3. | 2016 Annual, Page 2, Assets, Line 12, Column 3 | 6,284,223 |
| 4. | 2016 Annual, Page 2, Assets, Line 28, Column 3 | 7,604,441 |
| 5. | 2016 Annual, Page 3, Liabilities, Line 26, Column 1 | 3,687,754 |
| 6. | 2016 Annual, Page 3, Liabilities, Line 38, Column 1 | 7,604,441 |
| 7. | 2016 Annual, Page 4, Statement of Income, Line 08, Column 1 | 831,329 |
| 8. | 2016 Annual, Page 4, Statement of Income, Line 11, Column 1 | 138,912 |
| 9. | 2016 Annual, Page 4, Statement of Income, Line 20, Column 1 | 814,138 |
| 10. | 2016 Annual, Page 4, Statement of Income, Line 39, Column 1 | 3,916,687 |
| 11. | 2016 Annual, Page 5, Cash Flow, Line 19.2, Column 1 | 1,876,537 |
| 12. | 2016 Annual, Page 17, Five-Year Historical Data, Line 42, Column 1 | |
| 13. | 2016 Annual, Page 17, Five-Year Historical Data, Line 43, Column 1 | |
| 14. | 2016 Annual, Page 17, Five-Year Historical Data, Line 44, Column 1 | |
| 15. | 2016 Annual, Page 17, Five-Year Historical Data, Line 45, Column 1 | |
| 16. | 2016 Annual, Page 17, Five-Year Historical Data, Line 46, Column 1 | |
| 17. | 2016 Annual, Page 17, Five-Year Historical Data, Line 47, Column 1 | |
| 18. | 2016 Annual, Page 17, Five-Year Historical Data, Line 48, Column 1 | |
| 19. | 2016 Annual, Page SI02, Schedule A Verification, Line 09, Column 2 | |
| 20. | 2016 Annual, Page SI02, Schedule B Verification, Line 11, Column 2 | |
| 21. | 2016 Annual, Page SI03, Schedule BA Verification, Line 11, Column 2 | |
| 22. | 2016 Annual, Page SI03, Schedule D Verification, Line 10, Column 2 | 4,407,685 |
| 23. | 2016 Annual, Page SI07, Schedule D Part 1A Section 1, Line 10.1, Column 7 | 4,407,685 |
| 24. | 2016 Annual, Page SI07, Schedule D Part 1A Section 1, Line 10.2, Column 7 | |
| 25. | 2016 Annual, Page SI07, Schedule D Part 1A Section 1, Line 10.3, Column 7 | |
| 26. | 2016 Annual, Page SI07, Schedule D Part 1A Section 1, Line 10.4, Column 7 | |
| 27. | 2016 Annual, Page SI07, Schedule D Part 1A Section 1, Line 10.5, Column 7 | |
| 28. | 2016 Annual, Page SI07, Schedule D Part 1A Section 1, Line 10.6, Column 7 | |
| 29. | 2016 Annual, Page SI10, Schedule DA Verification, Line 02, Column 1 | |
| 30. | 2016 Annual, Page SI10, Schedule DA Verification, Line 05, Column 1 | |
| 31. | 2016 Annual, Page SI10, Schedule DA Verification, Line 06, Column 1 | |
| 32. | 2016 Annual, Page SI11, Schedule DB Part A Verification, Line 09, Column 2 | |
| 33. | 2016 Annual, Page SI11, Schedule DB Part B Verification, Line 06, Column 4 | |
| 34. | 2016 Annual, Page SI15, Schedule E Verification, Line 10, Column 1 | |
| 35. | 2016 Annual, Page E17, Schedule DA Part 1, Line 9199999, Column 8 | |