OHIO PLAN
RISK MANAGEMENT, INC.
Columbus, Ohio

FINANCIAL STATEMENTS
December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ohio Plan Risk Management, Inc.
Columbus, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Ohio Plan Risk Management, Inc. (the "Plan") which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of revenues, expenses and changes in members' equity, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio Plan Risk Management, Inc. as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 5 and the Ten-Year Claims Development Information on pages 16 and 17 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
July 14, 2018

This section of the Ohio Plan Risk Management, Inc.'s (the "Plan") financial statements presents management's discussion and analysis of the Plan's financial performance during the years that ended December 31, 2017 and 2016. Please read it in conjunction with the Plan's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements (including footnotes), and required supplementary information.

FINANCIAL HIGHLIGHTS

The following information reflects the annual financial highlights as further shown in the accompanying condensed financial statement sections.

- The insurance marketplace remained competitive throughout 2017; while the Plan was able to maintain high membership retention and add new members during the year, exposure changes and underwriting review led to a decrease in premiums written of $40,329 or less than 1% compared to 2016.

- The Plan's total assets increased $87,908 or 1% in 2017. The change is due primarily to the increase in investments due to favorable market conditions in the equity market as well as an offsetting decrease to premiums receivable.

- Premiums receivable decreased $219,460 or 14% in 2017. This change is due to the timing of collection of premiums between the years as well as members changing to various installment plans.

- The Plan's loss reserves increased $347,151 or 5% in 2017. This was being driven in large part due to the Plan's increased retention on the property losses as well as an increase on the 2016 property loss corridor.

- Unearned premiums and membership fees increased $397,905 or 27% primarily due to the increase in property retention assumed by the Plan beginning with the 11/1/16 reinsurance treaty.

- The Plan's accumulated surplus increased $58,306 or 1% in 2017 and decreased $297,431 or 5% in 2016. The changes are related primarily to a strong investment returns and positive property results associated with the Plan's increased property retention.

- The *Ohio Plan Advantage* is a renewal premium contribution program created to reward members who meet specific loss ratio and risk management criteria. The *Ohio Plan Advantage* credited to members was approximately $1,355,782 and $1,283,539 in 2017 and 2016, respectively. Please see the Plan's website, www.ohioplan.org, for a complete description of the *Ohio Plan Advantage*.

- Membership fees decreased $626 or less than 1% during 2017 and decreased $9,118 or 4% during 2016 due to the change in membership and is in line with the change in premiums written.

- The Ohio Plan, Inc. (OPI) administrative expense category is due to the Board's commitment to offering products and services beyond the current property and casualty offerings of Ohio Plan Risk Management. The Ohio Plan Management Resources was established in 2017 and created to offer these new products and services.

FINANCIAL HIGHLIGHTS (Continued)

- Net investment income was $552,549 in 2017 and $345,459 in 2016. The net investment income was up from last year due to changes in market conditions.
- Loss and loss adjustment expense decreased $142,968 or 5% from 2016. This was driven by the OPRM's retention decreasing from 50% to 47% effective with the November 1, 2017 treaty and by lower claim activity.
- The Plan's operations used $160,385 of cash in 2017 and provided $859,662 of cash in 2016. The change is a result of less premiums received, more reinsurance ceded and , and higher expense activity.

BALANCE SHEETS

The Balance Sheets include all assets and liabilities. The balance sheets are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Accumulated surplus is the difference between total assets and total liabilities. The change in accumulated surplus during the year is an indicator of the change in the overall financial condition of the Plan during the year. A summary of the Plan's assets, liabilities, and accumulated surplus as of December 31, 2017, 2016 and 2015 is as follows:

	2017	2016	2015
		(In thousands)	
Total assets	$ 14,854	$ 14,766	$ 14,644
Total liabilities	$ 9,562	$ 9,532	$ 9,112
Accumulated surplus	$ 5,292	$ 5,234	$ 5,532

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN MEMBERS' EQUITY

The Statements of Revenues, Expenses and Changes in Members' Equity present the results of operations for the Plan. A summary of the Plan's revenues, expenses and changes in members' equity for the years ended December 31, 2017, 2016 and 2015 is as follows:

	2017	2016	2015
		(In thousands)	
Net premiums earned	$ 6,399	$ 6,291	$ 6,416
Membership fees	241	241	250
Net investment income and other	552	349	123
Total revenues	7,192	6,881	6,789
Loss and loss adjustment expenses	2,528	2,671	2,127
Other expenses	4,606	4,508	5,018
Total expenses	7,134	7,178	7,145
Change in members' equity	58	(298)	(356)
Members' equity – beginning of year	5,234	5,532	5,888
Members' equity – end of year	$ 5,292	$ 5,234	$ 5,532

STATEMENTS OF CASH FLOWS

The Statements of Cash Flows also provide information about the Plan's financial health by reporting the cash receipts and cash payments of the Plan during the year ended December 31, 2017, 2016 and 2015. Following is a summary of the Statements of Cash Flows:

	2017	2016 (In thousands)	2015
Net cash provided (used) by:			
Operating activities	$ (160)	$ 860	$ (1,425)
Investing activities	(154)	(144)	(142)
Net change in cash	(314)	716	(1,567)
Cash-beginning of year	1,418	702	2,269
Cash-end of year	$ 1,104	$ 1,418	$ 702

FORWARD LOOKING STATEMENT

The environment in which the Plan operates is competitive. There are pooling and traditional insurance options available to Ohio's local governments. Due to the budgetary difficulties that Ohio's local governments continue to face, Ohio's local governments will be under greater pressure to control costs as their tax bases are strained. The Ohio Plan Risk Management stands ready to provide solutions to our members' complete coverage and risk management needs. The Board has also been looking to the furture and began offering additional products and services beyond the current property and casualty offerings through the Ohio Plan Management Resources in 2017.

CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our members, prospective members, agents, and reinsurers with a general overview of the Plan's financial standing. If you have questions about this report or need additional financial information, contact the Plan's administrator, Hylant Administrative Services, LLC, 811 Madison Avenue, Toledo, Ohio 43604.

OHIO PLAN RISK MANAGEMENT, INC.
BALANCE SHEETS
December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	$ 1,103,967	$ 1,417,432
Short-term investments	296,811	395,302
Bonds, at fair value	7,007,354	6,816,521
Equity securities and funds, at fair value	2,851,242	2,388,036
Certificates of deposit	1,746,300	1,757,780
Premiums receivable	1,297,597	1,517,057
Reinsurance recoverable	508,549	432,322
Prepaid Insurance	-	1,500
Accrued interest receivable	41,800	39,762
Total assets	$ 14,853,620	$ 14,765,712
LIABILITIES AND MEMBERS' EQUITY		
Loss and loss adjustment expense reserves	$ 6,862,755	$ 6,515,604
Unearned premiums and membership fees	1,889,614	1,491,709
Accrued liabilities and fees	157,403	672,570
Reinsurance payable	651,336	851,624
Total liabilities	9,561,108	9,531,506
MEMBERS' EQUITY		
Accumulated surplus	5,292,512	5,234,206
Total liabilities and members' equity	$ 14,853,620	$ 14,765,712

See accompanying notes to financial statements.

OHIO PLAN RISK MANAGEMENT, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN MEMBERS' EQUITY
For the years ended December 31, 2017 and 2016

	2017	2016
REVENUES		
Premiums written	$ 17,593,992	$ 17,634,321
Reinsurance premiums ceded	(10,797,426)	(11,355,483)
Net premiums written	6,796,566	6,278,838
Change in unearned premiums	(397,906)	12,377
Net premiums earned	6,398,660	6,291,215
Membership fees	240,564	241,190
Net investment income	552,549	345,459
Other income	-	3,332
Total revenues	7,191,773	6,881,195
EXPENSES		
Loss and loss adjustment expense	2,527,677	2,670,645
Management fees	2,285,589	2,313,383
Commission expense	1,756,704	1,789,671
Newsletter publishing and postage	1,683	759
Directors' travel and meetings	25,865	29,780
Risk management activities	40,490	13,103
Professional fees	138,112	62,086
Plan marketing	1,025	-
Directors' and officers' coverage	43,652	43,652
OPI administrative expense	252,000	252,000
Other	60,670	3,545
Total expenses	7,133,467	7,178,626
Excess (deficit) of revenues over expenses	58,306	(297,431)
MEMBERS' EQUITY		
Beginning of year	5,234,206	5,531,637
End of year	$ 5,292,512	$ 5,234,206

See accompanying notes to financial statements.

OHIO PLAN RISK MANAGEMENT, INC.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Receipt of premiums	$ 17,813,452	$ 18,341,263
Losses paid	(2,180,526)	(3,141,112)
Receipt of membership fees	240,564	241,190
Receipt of other and investment income	161,023	155,798
Premiums paid to reinsurers	(10,948,444)	(10,544,919)
Expenses paid	(5,246,455)	(4,192,557)
Net cash (used in) provided by operating activities	(160,386)	859,662
Cash flows from investing activities		
Change in short-term investments	98,491	(57,540)
Purchases of fixed income securities	(1,251,570)	(377,062)
Purchases of equities	-	-
Sales of fixed income securities	1,000,000	-
Sales of equities	-	290,456
Net cash used in investing activities	(153,079)	(144,146)
Net change in cash	(313,465)	715,516
Cash, beginning of year	1,417,432	701,916
Cash, end of year	$ 1,103,967	$ 1,417,432
Reconciliation of excess (deficit) of revenues over expenses to net cash provided by operating activities		
Excess (deficit) of revenues over expenses	$ 58,306	$ (297,431)
Net (gains) losses on securities	(389,489)	(192,953)
Changes in operating assets and liabilities		
Premiums receivable	219,460	706,942
Reinsurance recoverable	(718)	223,667
Accrued interest receivable	(2,038)	(39)
Loss and loss adjustment expense reserves	347,151	(470,467)
Unearned premiums and membership fees	397,906	(12,377)
Accrued liabilities and fees	(640,664)	315,423
Reinsurance payable	(150,300)	586,898
Net cash (used in) provided by operating activities	$ (160,386)	$ 859,662

See accompanying notes to financial statements.

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

The Ohio Plan Risk Management, Inc. (the "Plan" or "OPRM") was formed on January 1, 2009 through an internal reorganization. Prior to 2009, the OPRM's financial information which related to the property and casualty line of business was included in a separate entity, the Ohio Government Risk Management Plan ("Ohio Plan"). Also included in the Ohio Plan in 2007 and 2008 was an additional line of business for a health product. The Plan was formed to separately manage the property and casualty product from the health product. Because this was simply an internal reorganization, the historical cost basis has been maintained by the OPRM.

The Plan, as the former Ohio Government Risk Management Plan (the "Ohio Plan"), was organized in June 1988, as authorized by Section 2744.081 of the Ohio Revised Code. The Ohio Plan was an unincorporated non-profit association of its members. Effective January 1, 2009, the OPRM incorporated to act as an instrumentality for each member for the sole purpose of enabling members of the Plan to provide for formalized, jointly administered self-insurance programs to maintain adequate self-insurance protection, risk management programs and other administrative services. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity for the public purpose of enabling its members to obtain self-insurance through a jointly administered self-insurance fund. Members of the Plan are political subdivisions such as townships, villages, cities and others in the State of Ohio which are eligible to participate under applicable statute, ruling or law subject to certain underwriting standards as deemed appropriate by the Plan and its administrator. The Plan is governed by a Board of Directors comprised of appointed and elected representatives of public entities that participate in the program.

The Plan was first established to provide property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. The OPRM has agreed to pay judgments, settlements and other expenses resulting from claims arising related to the property and casualty coverages provided, in excess of the member's deductible.

OPRM has developed specific forms and endorsements of property and casualty coverage and substantially reinsures these coverages. Individual members are only responsible for their self-retention (deductible) amounts that vary from member to member. See Note 4 for further discussion.

The members pay an annual membership fee that is based on a percentage of premiums written for the year, which is earned pro-rata over the life of members' policies, and members who cancel are reimbursed the pro-rata portion of membership fees. These fees are charged to cover professional fees, directors' travel and meeting expenses and other administrative expenses. Membership fees were $240,564 and $241,190 for the years ended December 31, 2017 and 2016, respectively.

OPRM had 764 and 762 members as of December 31, 2017 and 2016, respectively.

OPRM has an agreement with Hylant Administrative Services, LLC ("HAS") to provide agent management, underwriting, claims management, risk management, accounting and system support services for OPRM. HAS also provides reinsurance brokerage services to OPRM, which is paid for by the reinsurers. All other services are paid for by OPRM. See Note 2 for further discussion.

OPRM's membership is comprised exclusively of Ohio political subdivisions. Although its exposure is concentrated to a single geographical area, such exposure is reduced by the practice of reinsuring the majority of coverage provided, with the exception of its paid loss ratio cap on old casualty reinsurance layers.

NOTE 1 – DESCRIPTION OF THE ORGANIZATION (Continued)

In 2002, OPRM (as the Ohio Plan) elected to participate in a loss corridor deductible in its first $500,000 of casualty reinsurance to control reinsurance costs. The corridor includes losses paid between 55% and 65% of premiums earned under this treaty. If the OPRM's paid loss ratio reaches 55%, OPRM would pay all the losses incurred related to this treaty up to the next 10% of premiums earned. Reinsurance coverage would resume after a paid loss ratio of 65% is exceeded. Effective September 1, 2003 through October 31, 2005, the corridor is for losses paid between 62% and 67% of premiums earned. Effective November 1, 2004 (and through October 31, 2010), the corridor is for losses paid between 65% and 70% of premiums earned in the first $250,000 of casualty reinsurance. Effective November 1, 2010 (through October 31, 2018, the corridor is for losses paid between 60% and 70% of casualty premiums earned in the first $250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Plan conform to accounting principles generally accepted in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

Use of Estimates: The preparation of financial statements in conformity with GAAP requires the Plan to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash: Cash is subject to common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Investments: The Plan recognizes its short-term investments, bonds, and equity securities at fair value with all related investment income, including the change in the fair value of investments and realized gains and losses, reflected in the Plan's revenues in the statement of revenues, expenses and changes in members' equity.

Short-term investments consist of money market funds. Bonds represent U.S. corporate bonds, U.S. Treasury Notes and other obligations of the U.S. Federal Government and its agencies with maturities greater than one year. Bonds are held for indefinite periods of time and may be sold in response to changes in interest rates, liquidity needs or other market conditions. Equity securities consist of shares of stock of highly rated U.S. companies. The investment strategy is to provide long-term capital appreciation by investing primarily in the stocks of well-established growth and value companies in the United States.

Investment transactions are recorded on a trade date basis. Fair value is based on quoted market prices. Realized gains and losses on the sale of securities are determined based on the sales proceeds less the historical cost of the specific asset sold.

Net investment income represents interest income, realized gains and losses, and the change in the fair value of investments, net of management and investment expenses of $75,235 and $73,015 in 2017 and 2016, respectively.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Market values of securities fluctuate based on the magnitude of changing market conditions; significant changes in market conditions could materially affect the fair value of the Plan's investments.

(Continued)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reinsurance: OPRM premiums written of $10,797,426 and $11,355,483 were ceded to reinsurers for the year ended December 31, 2017 and 2016, respectively.

In accordance with the accounting principles prescribed by GASB Statement No. 10, unpaid losses and loss adjustment expense reserves have been presented net of ceded unpaid losses and loss adjustment expense reserves.

Policy Acquisition Costs: The Plan does not defer agent commissions and certain other administration and underwriting expenses, as ceding commissions received from the reinsurers have offset these costs. The net difference between the administration expenses and the ceding commissions does not vary with the individual issuance and maintenance of the contracts of insurance. Therefore, such costs are expensed as incurred.

OPRM agent commission expense amounted to $1,756,704 and $1,789,671 for the years ended December 31, 2017 and 2016, respectively.

Management Fees: Fees for all administrative and management related services provided to the Plan are based upon a percentage of gross premiums written. OPRM fees for such services amounted to $2,285,589 and $2,313,383 for 2017 and 2016, respectively.

Loss and Loss Adjustment Expense Reserves: OPRM has not established claims liabilities on reinsured property and casualty risks except for those that it determined are liabilities which are not covered by reinsurers as further discussed in Note 4. For those risks, OPRM has established claims liabilities that are based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled (case reserves) and of claims that have been incurred but not reported (IBNR reserves), net of estimated salvage and subrogation. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts, particularly for coverage such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors.

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual and industry data that reflects past inflation and on other factors and are considered to be appropriate modifiers of past experience (see Notes 4 and 5 for further discussion).

The methods of making such estimates and establishing the ultimate liability for loss and loss adjustment expense are reviewed regularly. Management believes that the estimate of the ultimate liability for loss and loss adjustment expense as of December 31, 2017 and 2016 is reasonable and reflective of anticipated ultimate experience. However, it is possible that actual incurred loss and loss adjustment expense will not conform to the assumptions inherent in the determination of the liability. Accordingly, it is reasonably possible that the ultimate settlement of losses and the related loss adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements.

Unearned Premiums: Unearned premiums represent the portion of net premiums written related to the unexpired risk period of underlying policies. Net OPRM premiums are earned on a pro-rata basis over the term of the related policies.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2017 to determine the need for any adjustments and disclosures within the audited financial statements for the year ended December 31, 2017. Management has performed their analysis through July 14, 2018, which is the date these financial statements were available to be issued.

NOTE 3 – INVESTMENTS

As of December 31, 2017 and 2016, the Plan had the following investments (at fair value).

Investment Type	2017	2016
U.S. Government agency securities	$ 3,321,070	$ 3,346,700
Equity funds	2,851,241	2,388,036
U.S. corporate bonds	3,686,285	3,469,821
Money market mutual fund	296,811	395,302
Certificates of Deposit	1,746,300	1,757,780
	$ 11,901,707	$ 11,357,639

The Plan's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 - Investments reflect prices quoted in active markets.
Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

The fair value measurement of investments held at December 31, 2017 and 2016 is presented below:

December 31, 2017	Level 1	Level 2	Level 3	Total
U.S. Government agency securities	$ 3,321,069	$ -	$ -	$ 3,321,069
Equity funds	2,851,242	-	-	2,851,242
U.S. Corporate bonds	-	3,686,285	-	3,686,285
	$ 6,172,311	$ 3,686,285	$ -	9,858,596
Money market mutual fund				296,811
Certificates of deposit				1,746,300
Total invested assets				$ 11,901,707

(Continued)

NOTE 3 – INVESTMENTS (Continued)

December 31, 2016	Level 1	Level 2	Level 3	Total
U.S. Government agency securities	$ 3,346,700	$ -	$ -	$ 3,346,700
Equity funds	2,388,036	-	-	2,388,036
U.S. Corporate bonds	-	3,469,821	-	3,469,821
	$ 5,734,736	$ 3,469,821	$ -	9,204,557
	Money market mutual fund			395,302
	Certificates of deposit			1,757,780
	Total invested assets			$ 11,357,639

Net investment income includes interest, dividends, investment fees, and net realized and unrealized gains on investments as follows:

	2017	2016
Dividend and interest income	$ 229,816	$ 217,160
Investment fees	(75,235)	(73,015)
Net realized and unrealized gains	397,968	201,314
	$ 552,549	$ 345,459

U.S. Government agency Securities and U.S. corporate bonds have weighted average maturities of 1.0 years and 1.7 years and 2.3 years and 2.2 years at December 31, 2017 and 2016, respectively.

The Plan's U.S. Government agency securities have credit quality ratings of AAA and the U.S. Corporate bonds have ratings ranging from BBB+ to A.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's investment policy requires any investment to mature within five years from the date of settlement as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plan's investment policy does place a limit on the amount it may invest in any single issuer.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a depository financial institution to fulfill its obligations, the Plan will not be able to recover the value of its deposits in the possession of an outside party. The Plan does not have a formal policy for custodial credit risk. As of December 31, 2017, the carrying amount of the Plan's deposits was $1,103,967 and the bank balance was $1,238,343. Of the bank balance, $250,000 was covered by federal depository insurance, and the remainder was exposed to custodial credit risk at December 31, 2017. As of December 31, 2016, the carrying amount of the Plan's deposits was $1,417,432 and the bank balance was $2,366,145. Of the bank balance, $250,000 was covered by federal depository insurance, and the remainder was exposed to custodial credit risk at December 31, 2016.

(Continued)

NOTE 3 – INVESTMENTS (Continued)

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2017 and 2016, all of the Plan's investments were held by the investment's counterparty.

NOTE 4 – REINSURANCE

Prior to September 1, 2002, property and casualty insurance coverages provided by OPRM (as the Ohio Plan) were fully reinsured, up to a limit of $6,000,000 per occurrence, per member, with the exception of its paid loss ratio cap on casualty reinsurance treaties. Effective September 1, 2002, OPRM began retaining 5% of the premium and losses on the first $500,000 casualty treaty and 5% of the first $1,000,000 property treaty on a quota share basis. Effective November 1, 2005 (and through October 31, 2009), OPRM began retaining 15% of the premium and losses on the first $250,000 casualty treaty and 10% of the first $1,000,000 property treaty. Effective November 1, 2009, the OPRM retained 17.5% of the premium and losses on the first $250,000 casualty treaty and 10% of the first $1,000,000 property treaty. Effective November 1, 2010, the OPRM retained 40% of the premium and losses on the first $250,000 casualty treaty and 10% of the first $1,000,000 property treaty. Effective November 1, 2011, the OPRM retained 41.5% of the premium and losses on the first $250,000 casualty treaty and 10% of the first $1,000,000 property treaty. Effective November 1, 2012, the OPRM retained 50% of the premium and losses on the first $250,000 casualty treaty and 10% of the first $1,000,000 property treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first $250,000 casualty treaty and 10% of the first $1,000,000 property treaty. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. The OPRM is also participating in a property primary excess of loss treaty. This treaty reimburses the OPRM 30% for losses between $200,000 and $1,000,000. The reimbursement is based on the amount of loss between $200,000 and $1,000,000.

For treaties effective prior to September 1, 2004, OPRM's paid loss ratio cap on casualty reinsurance coverage includes losses on casualty claims up to $200,000, subject to aggregate limits. OPRM's paid loss ratio cap on older casualty reinsurance coverage is provided in multiple-year treaties to the Plan and the Ohio Fair Participating Plan combined. Both plans share in the same aggregate limits, which are calculated as a function of combined written premium ceded.

OPRM is not expected to exceed the paid loss ratio cap related to older casualty reinsurance coverage available as of December 31, 2017 and 2016.

Effective September 1, 2004 to present, OPRM's casualty quota share treaties no longer contain paid loss ratio caps as part of its reinsurance coverage.

In the event that any of the reinsurance companies should be unable to meet their obligations under the existing reinsurance agreements, the OPRM would be liable for such defaulted amounts. Conversely, should OPRM be unable to meet its obligations, amounts due OPRM under reinsurance contracts shall be payable by the reinsurers on the basis of the liability of the OPRM under the original OPRM polices reinsured without diminution. OPRM evaluates the financial condition of its reinsurers and monitors the concentrations of credit risk to minimize its exposure to significant losses from reinsurer insolvencies.

(Continued)

NOTE 5 – LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

Activity in the loss and loss adjustment expense reserves, related to OPRM property and casualty coverage, at December 31, 2017 and 2016 is summarized as follows:

	2017	2016
Net balance at January 1	$ 6,515,604	$ 6,986,071
Incurred related to:		
Current year	1,650,647	1,203,393
Prior year	877,030	1,467,252
Total incurred	2,527,677	2,670,645
Paid related to:		
Current year	(1,126,602)	(579,425)
Prior year	(1,053,924)	(2,561,687)
Total paid	(2,180,526)	(3,141,112)
Net balance at December 31	$ 6,862,755	$ 6,515,604

The net balance of loss and loss adjustment expense reserves at December 31, 2017 and 2016 represent OPRM's estimate of the ultimate cost of loss and loss adjustment expense that have been reported but not settled and that have been incurred but not reported, net of estimated salvage and subrogation. As a result of changes in estimates for insured events in prior years, the reserve for losses and loss expenses developed unfavorably, net of reinsurance, by $877,030 and $1,467,252 in 2017 and 2016, respectively. No additional premiums or return premiums were accrued as a result of these changes, which are the result of ongoing analysis of loss development trends and consideration of additional reserving techniques. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

NOTE 6 – TAX STATUS

Effective December 1, 2010, the Plan received notification that it is a qualified plan under the applicable sections of the Internal Revenue Code and is therefore not subject to federal income tax under present tax laws.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Plan has a $2,000,000 line of credit agreement with a bank that renews automatically. The line of credit is collateralized by the Plan's cash and cash equivalents and premiums receivable. As of December 31, 2017 and 2016, the Plan had no borrowings against this line of credit.

The Plan and its individual members are named as defendants in various lawsuits generally relating to their coverage. Numerous legal actions arise from claims made related to coverage provided by the Plan or in connection with previous reinsurance agreements. These actions were considered by the Plan in establishing its loss and loss adjustment expense reserves. The Plan believes the ultimate disposition of these and other pending lawsuits against the Plan will not materially impact the Plan's financial position, results of operations or cash flows.

SUPPLEMENTARY INFORMATION

OHIO PLAN RISK MANAGEMENT, INC.
TEN-YEAR CASUALTY CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)
For the years ending 2008 through 2017

The following table illustrates how the Plan's (including those years where the Plan was part of OGRMP as its property and casualty product line) earned revenue (net of reinsurance) and net investment income compare to related costs of loss net of loss assumed by reinsurers of the Plan. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts commonly is used to evaluate the accuracy of net incurred casualty claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Earned*	$ 15,205,022	$ 18,313,235	$ 17,218,398	$ 16,651,249	$ 17,076,423	$ 17,485,329	$ 18,608,224	$ 18,494,391	$ 18,233,347	$ 17,989,199
Ceded**	15,028,968	15,664,259	15,252,732	14,813,164	14,568,220	14,942,223	15,801,962	16,282,531	15,458,537	14,839,719
Net Earned	176,054	2,648,976	1,965,666	1,838,085	2,508,203	2,543,106	2,806,262	2,211,860	2,778,810	3,149,480
Estimated net incurred casualty claims and expenses at end of policy year	623,803	648,469	645,555	1,269,163	1,457,778	1,484,351	1,496,742	1,219,708	1,319,024	1,443,521
Net paid (cumulative) as of:										
End of policy year	30,928	46,468	38,384	77,941	50,027	98,707	48,496	62,877	63,906	114,254
One year later	101,476	129,858	151,102	349,710	293,559	530,012	250,310	443,039	300,064	
Two years later	189,849	255,188	400,570	703,334	775,859	939,638	680,931	910,031		
Three years later	270,982	360,364	697,018	949,971	1,055,728	1,517,829	897,190			
Four years later	365,023	405,390	880,690	1,179,667	1,644,636	2,003,482				
Five years later	468,742	422,687	921,445	1,569,004	1,743,703					
Six years later	493,774	456,294	946,082	1,704,653						
Seven years later	510,975	481,005	958,653							
Eight years later	775,714	481,619								
Nine years later	791,492									
Reestimated net incurred claims and expenses:										
End of policy year	623,803	648,469	645,555	1,269,163	1,457,778	1,484,351	1,496,742	1,219,708	1,319,024	1,443,521
One year later	846,995	827,964	1,056,564	1,929,271	1,995,324	2,149,518	1,785,247	2,120,188	1,726,685	
Two years later	769,935	591,097	1,191,358	2,156,816	2,099,254	2,689,931	1,858,408	2,383,582		
Three years later	732,097	783,754	1,138,042	2,081,020	1,883,111	2,615,104	1,816,922			
Four years later	689,332	745,977	1,064,473	1,941,877	1,918,239	2,532,769				
Five years later	806,418	564,195	968,654	1,979,619	1,844,132					
Six years later	815,008	714,604	1,008,076	1,902,019						
Seven years later	808,039	651,411	1,002,826							
Eight years later	825,169	484,859								
Nine years later	825,433									
Change in estimated net incurred claims and expenses from end of policy year	201,366	(163,609)	357,270	632,859	386,355	1,048,418	320,181	1,163,874	407,661	-

*Includes premiums written, change in unearned premium, net investment income, and membership fees.
**Includes reinsurance premiums ceded, management fees, commission expense, safety allowance, plan advantage, terrorism, cyber, complimentary excess, and CAT coverage.

(Continued)

TEN-YEAR PROPERTY CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)

For the years ending 2008 through 2017

The following table illustrates how the Plan's (including those years where the Plan was part of OGRMP as its property and casualty product line) earned revenue (net of reinsurance) and net investment income compare to related costs of loss net of loss assumed by reinsurers of the Plan. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts commonly is used to evaluate the accuracy of net incurred property claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Earned*	$ 15,205,022	$ 18,313,235	$ 17,218,398	$ 16,651,249	$ 17,076,423	$ 17,485,329	$ 18,608,224	$ 18,494,391	$ 18,233,347	$ 17,989,199
Ceded**	15,028,968	15,664,259	15,252,732	14,813,164	14,568,220	14,942,223	15,801,962	16,282,531	15,458,537	14,839,719
Net Earned	176,054	2,648,976	1,965,666	1,838,085	2,508,203	2,543,106	2,806,262	2,211,860	2,778,474	3,149,480
Estimated net incurred property claims and expenses at end of policy year	155,095	214,628	210,394	274,080	504,907	422,748	138,318	327,248	291,978	1,261,821
Net paid (cumulative) as of:										
End of policy year	148,031	108,694	128,706	183,073	327,441	233,963	135,173	194,394	212,032	596,923
One year later	302,552	292,850	247,907	343,418	531,418	361,675	299,564	267,653	295,023	
Two years later	307,647	295,288	279,328	363,369	552,403	425,309	301,336	293,417		
Three years later	298,100	296,358	279,155	364,593	582,734	422,583	312,279			
Four years later	298,844	296,543	279,069	364,248	583,052	422,893				
Five years later	298,904	297,678	279,069	364,288	585,940					
Six years later	298,922	297,678	281,480	364,272						
Seven years later	298,922	297,701	281,459							
Eight years later	298,922	297,452								
Nine years later	298,922									
Reestimated net incurred claims and expenses:										
End of policy year	155,095	214,628	210,394	274,080	504,907	422,748	138,318	327,248	291,978	1,261,821
One year later	302,552	328,379	292,500	369,954	740,917	525,642	336,595	320,961	324,789	
Two years later	322,857	303,133	292,030	369,963	642,902	442,153	352,644	321,726		
Three years later	301,350	296,574	292,077	479,221	592,917	431,868	352,644			
Four years later	301,960	297,080	279,159	364,683	593,082	431,868				
Five years later	299,520	297,678	279,070	364,536	593,082					
Six years later	298,922	297,678	281,480	364,536						
Seven years later	299,075	297,701	281,458							
Eight years later	299,075	297,453								
Nine years later	299,075									
Change in estimated net incurred claims and expenses from end of policy year	143,980	82,825	71,064	90,457	88,175	9,120	214,326	(5,522)	32,811	-

*Includes premiums written, change in unearned premium, net investment income, and membership fees.

** Includes reinsurance premiums ceded, management fees, commission expense, safety allowance, plan advantage, terrorism, cyber, complimentary excess, and CAT coverage

(See independent auditor's report)