



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY IN REHABILITATION

NAIC Group Code 0108 , 0108 NAIC Company Code 30562 Employer's ID Number 36-2797074
(Current Period) (Prior Period)

Organized under the Laws of Illinois , State of Domicile or Port of Entry Illinois

Country of Domicile United States

Incorporated/Organized 03/29/1837 Commenced Business 08/13/1837

Statutory Home Office 1 Corporate Drive, Suite 200 , Long Grove, IL 60049-0001
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1 Corporate Drive, Suite 200 Lake Zurich, IL 60047-8945 847-320-2000
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1 Corporate Drive, Suite 200 , Lake Zurich, IL 60047-8945
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1 Corporate Drive, Suite 200 Lake Zurich, IL 60047-8945 847-320-3127
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.lmcco.com

Statutory Statement Contact Fredrick Thomas Griffith 847-320-3127
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OFFICERS

Name	Title	Name	Title
<u>Fredrick Thomas Griffith #</u>	<u>Senior Vice President and CFO</u>	<u>John Keating Conway</u>	<u>Secretary</u>

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of Illinois

ss

County of Lake

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.

Fredrick Thomas Griffith
 Senior Vice President and CFO

John Keating Conway
 Secretary

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

Subscribed and sworn to before me this
12th day of November, 2012

b. If no,
 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	9,048,352		9,048,352	9,537,356
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$0), cash equivalents (\$0) and short-term investments (\$1,233,458)	1,233,458		1,233,458	545,066
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	2,480	0	2,480	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	10,284,290	0	10,284,290	10,082,422
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	88,580		88,580	109,095
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	36,747	36,747	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	10,409,617	36,747	10,372,870	10,191,517
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	10,409,617	36,747	10,372,870	10,191,517
DETAILS OF WRITE-INS				
1101. OSD administrative deposit	2,480		2,480	0
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	2,480	0	2,480	0
2501. Prepaid expenses	36,747	36,747	0	0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	36,747	36,747	0	0

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)		0
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses		0
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)		900
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$111,115 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)		0
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	387,007	66,985
20. Derivatives		0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	387,007	67,885
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	387,007	67,885
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock		0
31. Preferred capital stock		0
32. Aggregate write-ins for other than special surplus funds	1,500,000	1,500,000
33. Surplus notes		0
34. Gross paid in and contributed surplus		0
35. Unassigned funds (surplus)	8,485,863	8,623,632
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	9,985,863	10,123,632
38. Totals (Page 2, Line 28, Col. 3)	10,372,870	10,191,517
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. Guaranty fund	1,500,000	1,500,000
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	1,500,000	1,500,000

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

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 \$ 130,898)	157,066	264,510	317,681
1.2 Assumed (written \$)	0	0	0
1.3 Ceded (written \$ 130,898)	157,066	264,510	317,681
1.4 Net (written \$ 0)	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	40,226,270	938,560	(1,270,554)
2.2 Assumed	0	0	0
2.3 Ceded	40,226,270	938,560	(1,270,554)
2.4 Net	0	0	0
3. Loss adjustment expenses incurred	0	0	0
4. Other underwriting expenses incurred	273,108	301,308	388,058
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	273,108	301,308	388,058
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(273,108)	(301,308)	(388,058)
INVESTMENT INCOME			
9. Net investment income earned	130,419	171,077	214,697
10. Net realized capital gains (losses) less capital gains tax of \$	0	0	1,820
11. Net investment gain (loss) (Lines 9 + 10)	130,419	171,077	216,517
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	0	0
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(142,689)	(130,231)	(171,541)
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(142,689)	(130,231)	(171,541)
19. Federal and foreign income taxes incurred	0	0	0
20. Net income (Line 18 minus Line 19)(to Line 22)	(142,689)	(130,231)	(171,541)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	10,123,632	10,290,173	10,290,173
22. Net income (from Line 20)	(142,689)	(130,231)	(171,541)
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	0	0	0
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	0	0	0
27. Change in nonadmitted assets	4,920	30,000	5,000
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	(137,769)	(100,231)	(166,541)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	9,985,863	10,189,942	10,123,632
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

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.....	.0	.0	.0
2. Net investment income	257,343	344,743	404,436
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	257,343	344,743	404,436
5. Benefit and loss related payments .....	.0	.0	.0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.0	.0	.0
7. Commissions, expenses paid and aggregate write-ins for deductions	273,108	301,308	388,058
8. Dividends paid to policyholders .....	.0	.0	.0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9)	273,108	301,308	388,058
11. Net cash from operations (Line 4 minus Line 10)	(15,765)	43,435	16,378
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	381,696	115,165	298,200
12.2 Stocks .....	.0	.0	.0
12.3 Mortgage loans .....	.0	.0	.0
12.4 Real estate .....	.0	.0	.0
12.5 Other invested assets .....	.0	.0	.0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	.0	.0	.0
12.7 Miscellaneous proceeds .....	.0	22,500	.0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	381,696	137,665	298,200
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	.0	518,088	518,088
13.2 Stocks .....	.0	.0	.0
13.3 Mortgage loans .....	.0	.0	.0
13.4 Real estate .....	.0	.0	.0
13.5 Other invested assets .....	.0	.0	.0
13.6 Miscellaneous applications .....	.0	.0	.0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	.0	518,088	518,088
14. Net increase (or decrease) in contract loans and premium notes .....	.0	.0	.0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	381,696	(380,423)	(219,888)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	.0	.0	.0
16.2 Capital and paid in surplus, less treasury stock.....	.0	.0	.0
16.3 Borrowed funds .....	.0	.0	.0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	.0	.0	.0
16.5 Dividends to stockholders .....	.0	.0	.0
16.6 Other cash provided (applied).....	322,461	(47,229)	9,738
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	322,461	(47,229)	9,738
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)	688,392	(384,217)	(193,772)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	545,066	738,838	738,838
19.2 End of period (Line 18 plus Line 19.1)	1,233,458	354,621	545,066

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

American Manufacturers Mutual Insurance Company (the "Company") is a mutual property and casualty insurance company domiciled in the State of Illinois. The Company shares common management and directors with Lumbermens Mutual Casualty Company ("LMC"), an affiliated mutual insurance company, and cedes 100% of its premiums, losses, loss adjustment expense ("LAE"), and underwriting expenses to LMC. LMC is the lead company of a group of insurers and affiliates which operate under the trade name of Lumbermens Mutual Group ("LMG"), formerly known as the Kemper Insurance Companies.

Previously under the administrative supervision of the Illinois Department of Insurance (the "Department"), the Company and LMG had been operating under a run-off plan filed with and approved by the Department in 2004. The Company was also subject to confidential corrective orders (the "Corrective Orders") issued by the Department since early 2003 when the Company went into run-off status.

On July 2, 2012 an Agreed Order of Rehabilitation was entered against the Company and LMC, with the consent of their respective Boards of Directors by the Circuit Court of Cook County, Illinois. On August 16, 2012 an Agreed Order of Rehabilitation was entered against American Motorists Insurance Company ("AMICO") a wholly-owned subsidiary of LMC. AMICO is a stock property and casualty insurance company domiciled in the State of Illinois. AMICO cedes 100% of its premiums, losses, LAE, and underwriting expenses to LMC. Under Illinois law, the Director of the Department (the "Director") is appointed statutory Receiver of the companies and is vested with title to the companies' property, assets, rights of actions or lawsuits, books, records and premises.

The Illinois Insurance Code provides that the Receiver may appoint a Special Deputy and other employees as his agents to assist in the administration of the receivership. Paul A. Miller, Acting Special Deputy, and the Office of the Special Deputy Receiver are assisting the Director in the administration of the receiverships.

The Agreed Order of Rehabilitation terminates the previously issued Corrective Orders (including accounting allowances prescribed under Corrective Orders) and the annually updated run-off plan.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No change.

3. BUSINESS COMBINATIONS AND GOODWILL

No change.

4. DISCONTINUED OPERATIONS

No change.

5. INVESTMENTS

D. The statement value and fair value of bonds September 30, 2012 were as follows:

	Statement value	Gross unrealized gains	Gross unrealized losses	Fair value
	(In thousands)			
U.S. governments	\$ 8,060	134	0	8,194
Special revenue & assessment obligations and all non-guaranteed obligations of agencies and authorities of U.S. governments	405	104	0	509
Industrial & miscellaneous	500	1	0	501
Mortgage-backed securities	83	1	0	84
Total bonds	\$ 9,048	240	0	9,288

Bonds in an unrealized loss position are regularly reviewed for other-than-temporary declines in value. Factors considered in determining whether a decline is other-than-temporary include the length of time a bond has been in an unrealized loss position and the reasons for the decline in value. Assessments include judgments about an obligor's or guarantor's current and projected financial position, an issuer's current and projected ability to service and repay its debt obligations, the existence of, and realizable value for, any collateral backing the obligations, and the macro-economic and micro-economic outlooks for specific industries and issuers. Estimating the

NOTES TO FINANCIAL STATEMENTS

future cash flows of loan-backed securities also involves assumptions regarding the underlying collateral such as prepayment rates, default and recovery rates, existence of subordinated classes capable of absorbing losses, and third-party servicing abilities.

In performing its other-than-temporary impairment reviews, the Company, in consultation with its engaged portfolio manager, considers the relevant facts and circumstances relating to each investment and exercises judgment in determining whether a bond is other-than-temporarily impaired. Among the factors considered are whether the decline in fair value results from fundamental credit problems of the issuer, or is interest related, and the likelihood of recovering the amortized cost based on the current and short-term prospects of the issuer. Unrealized losses are determined to be temporary where such losses are primarily the result of market conditions, such as increasing interest rates, unusual market volatility, or industry-related events, and where the Company also believes it is probable that the Company will be able to collect all amounts when due in accordance with the contractual terms of the investment and, furthermore, has the intent and ability to hold the investment until the market recovers or maturity and, therefore, does not have the intent to sell the investment.

The risks inherent in reviewing the impairment of any investment include the risk that market results may differ from expectations; facts and circumstances may change in the future and differ from estimates and assumptions; or the Company may later decide to sell the security and realize a loss as a result of changes in the specific facts and circumstances surrounding a bond, or the outlook for its industry sector or the economy.

Prepayment assumptions used for loan-backed securities are derived using an external securities information service and are consistent with the current interest rate and economic environment.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No change.

7. INVESTMENT INCOME

No change.

8. DERIVATIVE INSTRUMENTS

No change.

9. INCOME TAXES

No change.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

No change.

11. DEBT

No change.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No change.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No change.

14. CONTINGENCIES

Following issuance of the Agreed Order of Rehabilitation entered by the Circuit Court of Cook County, Illinois on July 2, 2012, Suspension Orders were issued against the Company in the following states: Alaska, Idaho, Kentucky, Missouri, Nevada, North Dakota, Oklahoma, Oregon, Tennessee, Washington and Wyoming.

15. LEASES

No change.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No change.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

No change.

NOTES TO FINANCIAL STATEMENTS

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No change.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

No change.

20. FAIR VALUE MEASUREMENTS

Fair values are estimated at specific points in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Fair values are based on quoted market prices when available and appropriate. Otherwise fair values for financial instruments are generally determined using discounted cash flow models and assumptions that are based on judgments regarding current and future economic conditions and the risk characteristics of the investments. Although fair values are calculated using assumptions that management believes are appropriate, changes in assumptions could significantly affect the estimates and such estimates should be used with care.

Fair values are determined for existing on- and off-balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and certain liabilities that are not considered financial instruments. Accordingly, the aggregate fair value presented does not represent the underlying value of the Company.

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

Bonds: Fair values for bonds are determined using quoted market prices from an orderly market at the reporting date for those or similar investments. If quoted market prices from an orderly market are not available, the fair value is determined using an income approach valuation technique (present value using the discount rate adjustment technique) that considers, among other things, interest rates, the issuer's credit spread, prepayments, performance of the underlying collateral for loan-backed securities and illiquidity by sector and maturity.

Cash equivalents and short-term investments: Fair values for money market funds are based on quoted market prices. Fair values for other instruments approximate amortized cost.

Cash: The statement value reported for cash approximates fair value.

The statement values and fair values of the Company's financial instruments at September 30, 2012 and December 31, 2011 were as follows:

	2012		2011	
	Statement value	Fair value	Statement value	Fair value
	(In thousands)			
Financial instruments recorded as assets:				
Bonds	\$ 9,048	9,288	9,537	9,870
Cash, cash equivalents, and short-term investments	1,234	1,234	545	545

The Company does not have any financial assets carried at fair value at September 30, 2012. If it did have financial assets carried at fair value, they would be classified, for disclosure purposes, based on a fair value hierarchy defined by SSAP No. 100, *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's classification is determined based on the lowest level input that is significant to its fair value measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

NOTES TO FINANCIAL STATEMENTS

Level 1 – Inputs are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Examples of other inputs include market interest rates, volatilities, spreads, yield curves, prepayment speeds and default rates.

Level 3 – Includes unobservable inputs that are supported by little or no market activity and are significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what assumptions hypothetical market participants would use to determine a transaction price for the asset at the reporting date.

21. OTHER ITEMS

No change.

22. EVENTS SUBSEQUENT

The Company performed an evaluation of subsequent events through November 15, 2012, the date the statutory financial statements were issued, and determined there were no recognized subsequent events that would require an adjustment or additional disclosure in the statutory financial statements as of September 30, 2012.

23. REINSURANCE

No change.

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

No change.

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

No change.

26. INTERCOMPANY POOLING ARRANGEMENTS

No change.

27. STRUCTURED SETTLEMENTS

No change.

28. HEALTH CARE RECEIVABLES

No change.

29. PARTICIPATING POLICIES

No change.

30. PREMIUM DEFICIENCY RESERVES

No change.

31. HIGH DEDUCTIBLES

No change.

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

No change.

33. ASBESTOS/ENVIRONMENTAL RESERVES

No change.

34. SUBSCRIBER SAVINGS ACCOUNTS

No change.

35. MULTIPLE PERIL CROP INSURANCE

No change.

36. FINANCIAL GUARANTY INSURANCE

No change.

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 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 [X] NA []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010
- 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. 12/31/2005
- 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). 07/11/2007
- 6.4 By what department or departments?
Illinois.....
- 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 [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [X] No []
- 7.2 If yes, give full information:
Information is provided in Financial Notes 14.....
- 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

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes 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
- 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
- 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
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 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
- 14.2 If yes, please complete the following:

	1		2
	Prior Year-End Book/Adjusted Carrying Value		Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$		\$
14.22 Preferred Stock	\$		\$
14.23 Common Stock	\$		\$
14.24 Short-Term Investments	\$		\$
14.25 Mortgage Loans on Real Estate	\$		\$
14.26 All Other	\$		\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0		\$0
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
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No
If no, attach a description with this statement.

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

GENERAL INTERROGATORIES

16. 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 [X] No []

16.1 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
BNY Mellon Trust Company of Illinois.....	2 North LaSalle St., Suite 1020, Chicago, IL 60602.....

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

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

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

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
109875.....	Asset Allocation & Management Company, L.L.C.....	30 North LaSalle St., 35th Floor, Chicago, IL 60602.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

If yes, attach an explanation.

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

If yes, attach an explanation.

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

3.2 If yes, give full and complete information thereto

.....

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent %

5.2 A&H cost containment percent %

5.3 A&H expense percent excluding cost containment expenses %

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

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

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

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

SCHEDULE F—CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (Yes or No)
		AFFILIATES		
		US INSURERS		
		POOLS AND ASSOCIATIONS		
		ALL OTHER INSURERS		
NONE				

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

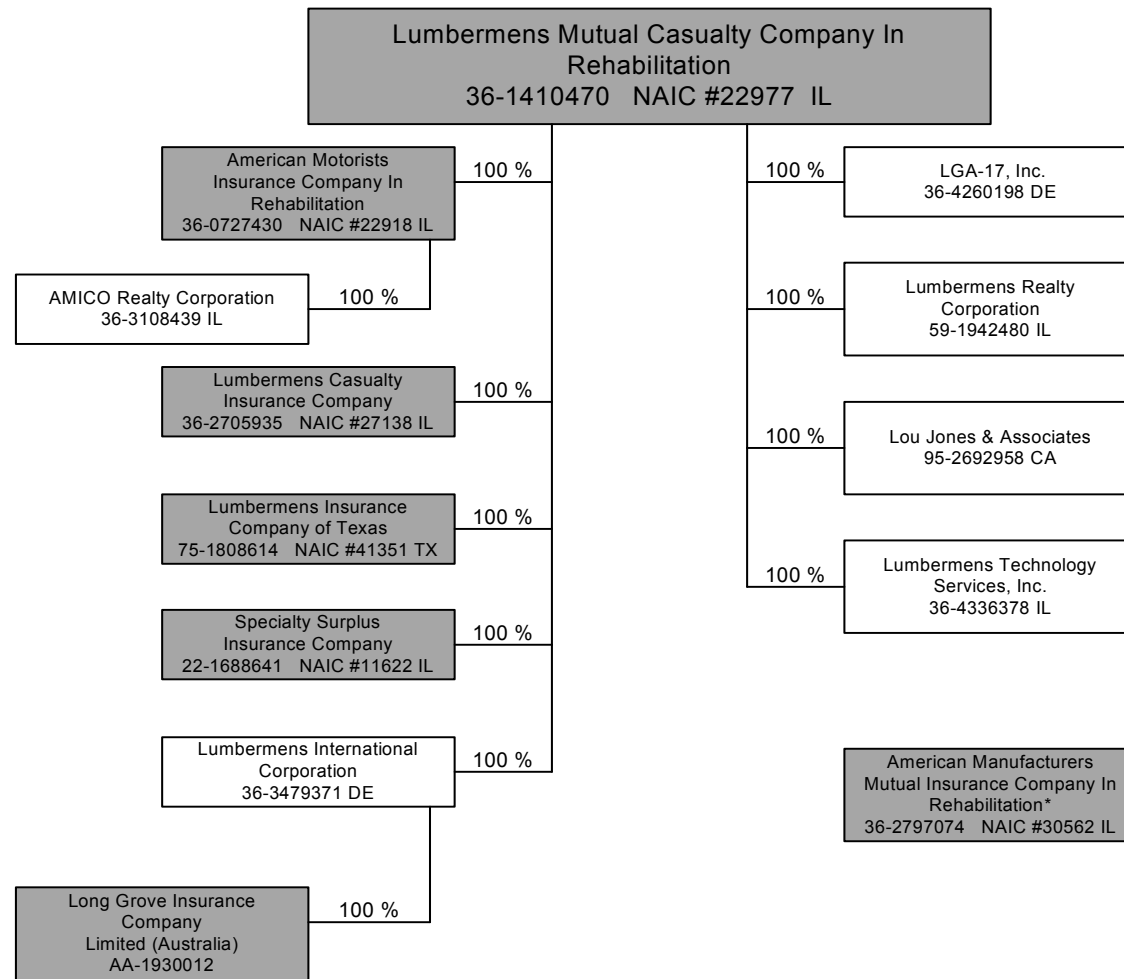
Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
States, etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	L	1,837	2,356	35,638	88,750	757,424	521,415
2. Alaska	AK	L		22	(2,073)	56,225	104	(1,062)
3. Arizona	AZ	L	149	484	236,508	550,752	2,837,148	2,498,806
4. Arkansas	AR	L		21	386,601	312,572	4,763,901	3,872,432
5. California	CA	L	3,570	14,622	4,799,001	4,510,025	30,783,086	26,421,904
6. Colorado	CO	L	849	1,893	(32,637)	57,165	104,776	72,156
7. Connecticut	CT	L	2,961	3,955	306,905	222,905	5,162,346	3,899,522
8. Delaware	DE	L	1,718	1,718	35,757	38,445	829,428	638,703
9. Dist. Columbia	DC	L		0	72,303	66,846	520,385	437,423
10. Florida	FL	N	(22,638)	13,589	1,878,527	1,168,893	3,275,191	2,186,571
11. Georgia	GA	L	4,938	6,943	204,103	169,338	1,805,182	1,308,527
12. Hawaii	HI	L	1,426	1,437	0	0	95	(889)
13. Idaho	ID	L		1,401	323	395	12	762
14. Illinois	IL	L	100	133	(56,638)	(37,278)	2,037,009	1,240,551
15. Indiana	IN	L		369	(400)	(1,833)	224	(3,855)
16. Iowa	IA	L		366	60,856	54,102	1,022,899	911,375
17. Kansas	KS	L	365	462	41,533	69,569	164,699	139,674
18. Kentucky	KY	L	301	301	106,895	212,845	2,112,189	1,639,658
19. Louisiana	LA	L		1,492	(29,367)	116,841	13,997	104,932
20. Maine	ME	L		0	16,010	20,261	511,032	489,499
21. Maryland	MD	L	102	2,610	160,227	131,981	832,589	836,380
22. Massachusetts	MA	L	9,849	54,321	351,905	629,350	5,684,148	4,028,614
23. Michigan	MI	L	2,916	8,034	77,277	2,715,407	1,098,912	812,176
24. Minnesota	MN	L	(910)	(71,522)	79,977	12,340	892,091	835,346
25. Mississippi	MS	L		263	12,211	21,989	80,039	76,054
26. Missouri	MO	L	1,466	29,066	42,679	30,512	1,077,641	1,187,171
27. Montana	MT	L		267	6,065	(1,458)	176,905	77,196
28. Nebraska	NE	L		(599)	59,108	56,583	893,470	691,514
29. Nevada	NV	L		2,081	(93,878)	(186,831)	26	(1,491)
30. New Hampshire	NH	L	985	1,372	36,289	97,452	559,739	453,284
31. New Jersey	NJ	L	1,752	2,154	561,201	510,222	4,937,664	4,345,330
32. New Mexico	NM	L	(558)	819	25,696	15,840	233,975	157,915
33. New York	NY	L	57,389	107,968	2,994,704	3,660,758	32,915,640	32,818,970
34. No. Carolina	NC	L	2,275	298	24,924	31,411	346,464	378,747
35. No. Dakota	ND	L		1	0	0	2	(173)
36. Ohio	OH	L	552	763	18,054	47,746	952,372	247,160
37. Oklahoma	OK	L		0	3,476	32,755	117,337	85,153
38. Oregon	OR	L	50,768	24,120	198,299	171,614	1,633,442	1,448,531
39. Pennsylvania	PA	L	876	885	761,510	1,021,942	13,149,365	10,663,458
40. Rhode Island	RI	L	1,224	1,224	64,109	51,696	135,452	153,914
41. So. Carolina	SC	L	5	410	326,894	131,619	1,359,882	1,042,557
42. So. Dakota	SD	L		63	111,248	96,744	439,509	41,321
43. Tennessee	TN	L	(4)	706	89,234	76,421	1,495,131	1,152,774
44. Texas	TX	L	32	1,324	315,353	255,197	4,237,995	4,423,684
45. Utah	UT	L	551	647	1,376	316	93,418	64,357
46. Vermont	VT	L		(6)	27,605	49,113	559,337	293,351
47. Virginia	VA	L	5,718	5,805	525,186	111,874	1,318,382	1,334,421
48. Washington	WA	L	334	334	(2,984)	36,805	56,778	40,747
49. West Virginia	WV	L		57	0	0	6	(494)
50. Wisconsin	WI	L		(2,013)	491,783	171,666	306,594	372,285
51. Wyoming	WY	L		0	0	0	1	(101)
52. American Samoa	AS	N		0	0	0	0	0
53. Guam	GU	N		0	0	0	0	0
54. Puerto Rico	PR	N		0	0	0	0	0
55. U.S. Virgin Islands	VI	N		0	0	0	0	0
56. Northern Mariana Islands	MP	N		0	0	0	0	0
57. Canada	CN	N		0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	5,568	0	0	2	(80)
59. Totals	(a)	50	130,898	228,584	15,329,373	17,657,882	132,285,435	114,438,175
DETAILS OF WRITE-INS								
5801. Europe		XXX		0		0	1	(37)
5802. Asia		XXX		0		0	1	(43)
5803. Africa		XXX		5,568		0		0
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX		0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX		0	5,568	0	2	(80)

(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; (N) None of the above - Not allowed to write business in the state.

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



* American Manufacturers Mutual Insurance Company is an affiliated mutual company.

Insurers are identified by shaded boxes. Percentages show common stock ownership as of 9/30/2012.

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY IN REHABILITATION

SCHEDULE Y PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
0108	Lumbermens Mutual Group	30562	36-2797074				American Manufacturers Mutual Insurance Company In Rehabilitation	IL		Policyholders	Board		American Manufacturers Mutual Insurance Company In Rehabilitation	
0108	Lumbermens Mutual Group	22918	36-0727430				American Motorists Insurance Company In Rehabilitation	IL	IA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group						AMICO Realty Corporation	IL	NIA	American Motorists Insurance Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group						Long Grove Insurance Company Limited	AU	IA	Lumbermens International Corporation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group						Lou Jones & Associates	CA	NIA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group						LGA-17, Inc	DE	NIA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group	27138	36-2705935				Lumbermens Casualty Insurance Company	IL	IA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group	41351	75-1808614				Lumbermens Insurance Company of Texas	TX	IA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group						Lumbermens International Corporation	DE	NIA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group	22977	36-1410470				Lumbermens Mutual Casualty Company In Rehabilitation	IL	IA	Policyholders	Board		Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group						Lumbermens Realty Corporation	IL	NIA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group						Lumbermens Technology Services, Inc	IL	NIA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	
0108	Lumbermens Mutual Group	11622	22-1688641				Specialty Surplus Insurance Company	IL	IA	Lumbermens Mutual Casualty Company In Rehabilitation	Ownership	100.0	Lumbermens Mutual Casualty Company In Rehabilitation	

12

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

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			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril		37,397	0.0	(9,316.2)
5. Commercial multiple peril		2,467,802	0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	59	41	69.5	70.7
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability - occurrence			0.0	0.0
11.2 Medical professional liability – claims made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation	30,936	33,086,032	106,949.9	5,129.8
17.1 Other liability occurrence		1,476,604	0.0	(5,673.1)
17.2 Other liability – claims made		10	0.0	0.0
17.3 Excess Workers' Compensation		1,110,505	0.0	0.0
18.1 Products liability - occurrence		494,522	0.0	(501.5)
18.2 Products liability – claims made		0	0.0	0.0
19.1,19.2 Private passenger auto liability	(75)	1,203,828	(1,605,104.0)	0.0
19.3,19.4 Commercial auto liability		57,777	0.0	576.8
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity		(4)	0.0	0.0
24. Surety	126,146	291,756	231.3	48.3
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	157,066	40,226,270	25,611.1	354.8
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0		0
2. Allied lines	0		0
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	0	0	(37)
5. Commercial multiple peril	0		0
6. Mortgage guaranty	0		0
8. Ocean marine	0		0
9. Inland marine	0	100	100
10. Financial guaranty	0		0
11.1 Medical professional liability - occurrence	0		0
11.2 Medical professional liability – claims made	0		0
12. Earthquake	0		0
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	109,030	30,936	33,833
17.1 Other liability-occurrence	0		(2,603)
17.2 Other liability – claims made	0		0
17.3 Excess Workers' Compensation	0		0
18.1 Products liability - occurrence	0		(5,619)
18.2 Products liability – claims made	0		0
19.1,19.2 Private passenger auto liability	0	(75)	0
19.3,19.4 Commercial auto liability	0		479
21. Auto physical damage	0		0
22. Aircraft (all perils)	0		0
23. Fidelity	0		0
24. Surety	36,961	99,937	202,431
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	0		0
29. International	0		0
30. Warranty	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	145,991	130,898	228,584
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY IN REHABILITATION

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)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2009 + Prior .....			.0			.0				.0	.0	.0	.0
2. 2010 .....			.0			.0				.0	.0	.0	.0
3. Subtotals 2010 + prior .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2011 .....			.0			.0				.0	.0	.0	.0
5. Subtotals 2011 + prior .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2012	XXX	XXX	XXX	XXX		.0	XXX			.0	XXX	XXX	XXX
7. Totals	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Prior Year-End Surplus As Regards Policyholders	10,124										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 0.0	2. 0.0	3. 0.0
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 0.0

14

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

- 1.
- 2.
- 3.

Bar Code:

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

OVERFLOW PAGE FOR WRITE-INS

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31	
NONE			
	1. Book/adjusted carrying value, December 31 of prior year.....	0	0
	2. Cost of acquired:		
	2.1 Actual cost at time of acquisition.....	0	0
	2.2 Additional investment made after acquisition.....	0	0
	3. Current year change in encumbrances.....	0	0
	4. Total gain (loss) on disposals.....	0	0
	5. Deduct amounts received on disposals.....	0	0
	6. Total foreign exchange change in book/adjusted carrying value.....	0	0
	7. Deduct current year's other than temporary impairment recognized.....	0	0
	8. Deduct current year's depreciation.....	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0	
10. Deduct total nonadmitted amounts.....	0	0	
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0	

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31	
NONE			
	1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	0
	2. Cost of acquired:		
	2.1 Actual cost at time of acquisition.....	0	0
	2.2 Additional investment made after acquisition.....	0	0
	3. Capitalized deferred interest and other.....	0	0
	4. Accrual of discount.....	0	0
	5. Unrealized valuation increase (decrease).....	0	0
	6. Total gain (loss) on disposals.....	0	0
	7. Deduct amounts received on disposals.....	0	0
	8. Deduct amortization of premium and mortgage interest points and commitment fees.....	0	0
	9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....	0	0
	10. Deduct current year's other than temporary impairment recognized.....	0	0
	11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
	12. Total valuation allowance.....	0	0
13. Subtotal (Line 11 plus Line 12).....	0	0	
14. Deduct total nonadmitted amounts.....	0	0	
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0	

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31	
NONE			
	1. Book/adjusted carrying value, December 31 of prior year.....	0	0
	2. Cost of acquired:		
	2.1 Actual cost at time of acquisition.....	0	0
	2.2 Additional investment made after acquisition.....	0	0
	3. Capitalized deferred interest and other.....	0	0
	4. Accrual of discount.....	0	0
	5. Unrealized valuation increase (decrease).....	0	0
	6. Total gain (loss) on disposals.....	0	0
	7. Deduct amounts received on disposals.....	0	0
	8. Deduct amortization of premium and depreciation.....	0	0
	9. Total foreign exchange change in book/adjusted carrying value.....	0	0
	10. Deduct current year's other than temporary impairment recognized.....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0	
12. Deduct total nonadmitted amounts.....	0	0	
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0	

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.....	9,537,356	9,455,518
2. Cost of bonds and stocks acquired.....	0	518,088
3. Accrual of discount.....	688	993
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	1,820
6. Deduct consideration for bonds and stocks disposed of.....	381,696	298,200
7. Deduct amortization of premium.....	107,997	140,863
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	9,048,352	9,537,356
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	9,048,352	9,537,356

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY IN REHABILITATION

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	10,212,307	465,416	359,934	(35,980)	10,081,754	10,212,307	10,281,809	10,082,423
2. Class 2 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
3. Class 3 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
4. Class 4 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
5. Class 5 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	10,212,307	465,416	359,934	(35,980)	10,081,754	10,212,307	10,281,809	10,082,423
PREFERRED STOCK								
8. Class 1.....	.0	.0	.0	.0	.0	.0	.0	.0
9. Class 2.....	.0	.0	.0	.0	.0	.0	.0	.0
10. Class 3.....	.0	.0	.0	.0	.0	.0	.0	.0
11. Class 4.....	.0	.0	.0	.0	.0	.0	.0	.0
12. Class 5.....	.0	.0	.0	.0	.0	.0	.0	.0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	10,212,307	465,416	359,934	(35,980)	10,081,754	10,212,307	10,281,809	10,082,423

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0 ; NAIC 2 \$.....0 ; NAIC 3 \$.....0 ; NAIC 4 \$.....0 ; NAIC 5 \$.....0 ; NAIC 6 \$.....0

S102

**STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE
COMPANY IN REHABILITATION**

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	1,233,458	XXX	1,233,458	168	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	545,066	745,213
2. Cost of short-term investments acquired.....	759,062	1,014,629
3. Accrual of discount.....	0	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	70,671	1,214,775
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,233,458	545,066
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,233,458	545,066

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY IN REHABILITATION

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.									
31398J-VT-7	FHR 3578 AN		09/01/2012	MBS PAYDOWN		9,904	9,904	10,176	9,963	0	(60)	0	(60)	0	9,904	0	0	0	231	04/01/2016	XXX		
3199999 - Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...						9,904	9,904	10,176	9,963	0	(60)	0	(60)	0	9,904	0	0	0	231	XXX	XXX		
59217E-BZ-6	MET LIFE GLOB FUNDING I		09/17/2012	MATURITY		350,000	350,000	349,003	349,756	0	244	0	244	0	350,000	0	0	0	10,063	09/17/2012	XXX		
3899999 - Bonds - Industrial and Miscellaneous						350,000	350,000	349,003	349,756	0	244	0	244	0	350,000	0	0	0	10,063	XXX	XXX		
8399997 - Bonds - Part 4						359,904	359,904	359,178	359,719	0	184	0	184	0	359,904	0	0	0	10,293	XXX	XXX		
8399999 - Total - Bonds						359,904	359,904	359,178	359,719	0	184	0	184	0	359,904	0	0	0	10,293	XXX	XXX		
8999999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9799999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 Totals						359,904	XXX	359,178	359,719	0	184	0	184	0	359,904	0	0	0	10,293	XXX	XXX		

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

E05

Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

NONE

Schedule DB - Part B - Section 1

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

Schedule E - Part 1

NONE

Schedule E - Part 2 - Cash Equivalents

NONE



DIRECTORS AND OFFICERS SUPPLEMENT FOR SEPTEMBER 30, 2012 OF THE AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY IN REHABILITATION

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2012

NAIC Group Code

.....0108

NAIC Company Code

.....30562

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

1. Monoline Policies

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

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy?.....Yes [X] No []

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

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified:..... \$0

2.32 Amount estimated using reasonable assumptions:..... \$0

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

\$0