

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST</u>	1b Three-digit plan number (PN) ►	<u>002</u>	
	1c Effective date of plan	<u>07/01/1986</u>	
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>FIRST MERCURY FINANCIAL CORPORATION</u> <u>26600 TELEGRAPH ROAD</u> <u>SOUTHFIELD, MI 48033</u>	2b Employer Identification Number (EIN) <u>38-2027233</u>	2c Sponsor's telephone number <u>248-358-4010</u>	2d Business code (see instructions) <u>524290</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2012</u>	<u>JACQUELINE ALLISON</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2012</u>	<u>JACQUELINE ALLISON</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") FIRST MERCURY FINANCIAL CORPORATION 26600 TELEGRAPH ROAD SOUTHFIELD, MI 48033	3b Administrator's EIN 38-2027233 3c Administrator's telephone number 248-358-4010
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	440
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	374
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	60
d Subtotal. Add lines 6a , 6b , and 6c	6d	434
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	434
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	355
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ 1 **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST MERCURY FINANCIAL CORPORATION	D Employer Identification Number (EIN) 38-2027233

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

THE LINCOLN NATIONAL LIFE INSURANCE CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
35-0472300	65676	GP71548	359	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
39301	23624

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

FREEDMAN BENEFITS GROUP
30400 TELEGRAPH ROAD SUITE 444035
BINGHAM FARMS, MI 48025

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
39301	23624	TPA FEES	4

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule A (Form 5500) 2011
v.012611

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	1566604
5 Current value of plan's interest under this contract in separate accounts at year end	5	14070185

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP VARIABLE ANNUITY WITH GTD FUN

b Balance at the end of the previous year	7b	1247810
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c Additions: (1) Contributions deposited during the year	7c(1)	96193	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	51843	
(4) Transferred from separate account	7c(4)	295503	
(5) Other (specify below)	7c(5)	51932	

▶ PARTICIPANT LOAN PAYMENTS

(6) Total additions	7c(6)	495471
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d Total of balance and additions (add b and c(6))	7d	1743281
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	105653	
(2) Administration charge made by carrier	7e(2)	4891	
(3) Transferred to separate account	7e(3)	19843	
(4) Other (specify below)	7e(4)	46290	

▶ PARTICIPANT LOANS

(5) Total deductions	7e(5)	176677
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f Balance at the end of the current year (subtract e(5) from d)	7f	1566604
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST MERCURY FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>38-2027233</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation <u>LINCOLN NATIONAL CORPORATION</u>	<u>1300 S. CLINTON STREET</u> <u>FORT WAYNE, IN 46801</u> <u>35-1140070</u>
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(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

LINCOLN NATIONAL CORPORATION

35-1140070

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	SERVICE PROVIDER	58158	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST</u>	B Three-digit plan number (PN)	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>FIRST MERCURY FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>38-2027233</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)
(Complete as many entries as needed to report all interests in DFEs)	

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LNL SA11 LVIP DELAWARE GROWTH & INC</u>				
b Name of sponsor of entity listed in (a): <u>LINCOLN NATIONAL CORPORATION</u>				
c EIN-PN <u>35-1140070-111</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>183490</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LNL SA12 DELAWARE BOND</u>				
b Name of sponsor of entity listed in (a): <u>LINCOLN NATIONAL CORPORATION</u>				
c EIN-PN <u>35-1140070-112</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>313153</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LNL SA14 FEDERATED GOVT ULTRASHORT</u>				
b Name of sponsor of entity listed in (a): <u>LINCOLN NATIONAL CORPORATION</u>				
c EIN-PN <u>35-1140070-114</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1934038</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LNL SA17 COLUMBIA ACORN</u>				
b Name of sponsor of entity listed in (a): <u>LINCOLN NATIONAL CORPORATION</u>				
c EIN-PN <u>35-1140070-117</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>195223</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LNL SA19 LVIP VANGUARD DOMESTIC EQU</u>				
b Name of sponsor of entity listed in (a): <u>LINCOLN NATIONAL CORPORATION</u>				
c EIN-PN <u>35-1140070-119</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>62972</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LNL SA20 FRANKLIN HIGH INCOME</u>				
b Name of sponsor of entity listed in (a): <u>LINCOLN NATIONAL CORPORATION</u>				
c EIN-PN <u>35-1140070-120</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>582585</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LNL SA21 VANGUARD LIFESTRATEGY MOD</u>				
b Name of sponsor of entity listed in (a): <u>LINCOLN NATIONAL CORPORATION</u>				
c EIN-PN <u>35-1140070-121</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>81165</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA22 LVIP MONDRIAN INTL VAL**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-122	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 49602
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA23 SSGA RUSSELL ALL CAP INDEX**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-123	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 198755
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA24 SSGA RUSSELL SMALL/MID CAP**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-124	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 386305
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA27 LVIP SSGA S&P 500 INDEX**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-127	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 219538
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA28 INVESCO VAN KAMPEN GRW & I**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-128	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 89372
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA29 LVIP T ROWE PRICE GROWTH**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-129	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 138962
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA30 VANGUARD LIFESTRATEGY CONS**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-130	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 93624
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA31 ALLIANCEBERNSTEIN VPS GLBL**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-131	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15836
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA32 VANGUARD LIFESTRATEGY GRWT**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-132	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 121137
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA33 LVIP DELAWARE SOCIAL AWARE**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-133	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 28810
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA34 AMERICAN FUNDS NEW PERSPEC](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-134	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 221655
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA35 FIDELITY VIP CONTRAFUND](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-135	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 396944
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA36 LVIP SSGA SMALLCAP INDEX](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-136	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 38558
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA38 LVIP MIDCAP VALUE](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-138	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 142284
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA39 ALLIANCEBERNSTEIN VPS SMAL](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-139	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 102166
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA46 AMERICAN FUNDS SMALLCAP WO](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-146	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 198595
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA48 AMERICAN FUNDS GROWTH FUND](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-148	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 178403
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA49 AMERICAN FUNDS INVESTMENT](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-149	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 131282
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA54 AMERICAN FUNDS EUROPACIFIC](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-154	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 199014
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LNL SA55 LVIP COHEN & STEERS GLOBAL](#)**b** Name of sponsor of entity listed in (a): [LINCOLN NATIONAL CORPORATION](#)

c EIN-PN 35-1140070-155	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 71102
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA56 DELAWARE VIP SMALL CAP VAL		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-156	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 212627
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA57 LVIP DIMENSIONAL US EQTY		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-157	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 176457
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA58 FRANKLIN GROWTH		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-158	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 155513
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA59 LVIP VANGUARD INTL EQTY ET		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-159	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 137738
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA61 DELAWARE VIP VALUE		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-161	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 40454
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA62 LVIP TEMPLETON GROWTH		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-162	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 26012
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA63 WELLS FARGO ADVANTAGE DISC		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-163	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 85210
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA64 JANUS ASPEN ENTERPRISE POR		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-164	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 162730
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA65 MFS VIT GROWTH SERIES		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-165	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 75454
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA 67 MFS VIT UTILITIES SERIES		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-167	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 203710

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA70 JANUS ASPEN JANUS PORTFOLI			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-165	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	61904
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA76 INVESCO VAN KAMPEN SM CAP			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-176	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	44222
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA77 BLACKROCK ENERGY & RESOURC			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-177	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	847703
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA80 BLACKROCK LARGE CAP VALUE			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-180	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	100911
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA81 BLACKROCK CAPITAL APPRECI			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-181	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	57184
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA83 BLACKROCK MIDCAP VALUE EQU			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-183	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	87317
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA84 FIDELITY VIP MID CAP			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-184	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	66459
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA 86 TEMPLETON GLOBAL BOND SEC			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-186	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	216879
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA87 DELAWARE VIP LIMITED TERM			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-187	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	52924
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA92 LVIP BLACKROCK INFLATION P			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-192	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	229665

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA93 DELAWARE VIP DIVERSIFIED		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-193	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 121552
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA94 OPPENHEIMER DEVELOPING MKT		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-194	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 366399
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA95 LVIP DELAWARE FOUNDATION C		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-195	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 249127
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA96 LVIP DELAWARE FOUNDATION M		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-196	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 591665
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA97 LVIP DELAWARE FOUNDATION A		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-197	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1794773
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL1 PROTECTED PROFILE 2010 FD		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-701	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 86359
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL2 PROTECTED PROFILE 2020 FD		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-702	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 611161
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL3 PROTECTED PROFILE 2030 FD		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-703	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 446402
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL4 PROTECTED PROFILE 2040 FD		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-704	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 160498
a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL5 SSGA INTERNATIONAL INDEX		
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION		
c EIN-PN 35-1140070-708	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3711

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL6 LVIP SSGA BOND INDEX			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-709	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	6062

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL7 LVIP DELAWARE SPECIAL OPPU			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-710	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	26720

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL8 SSGA RUSSELL LARGE CAP VAL			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-711	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	10147

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SAL9 SSGA RUSSELL LARGE CAP GRW			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-712	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	960

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SALA SSGA S&P MIDCAP INDEX			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-713	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	30113

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SALB SSGA RUSSELL SMALL CAP VAL			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-714	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	34944

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SALC SSGA RUSSELL SMALL CAP GRW			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-715	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	1088

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA1C AMERICAN FUNDS HIGH INCOME			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-715	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	19990

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA1E AMERICAN FUNDS BOND FUND			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-717	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	74875

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SA1X BARON GROWTH OPPORTUNITIES			
b Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION			
c EIN-PN 35-1140070-718	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	17510

a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SALL LVIP PROTECTED PROFIL 2050**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-719	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37
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a Name of MTIA, CCT, PSA, or 103-12 IE: LNL SALM PIMCO TOTAL RETURN**b** Name of sponsor of entity listed in (a): LINCOLN NATIONAL CORPORATION

c EIN-PN 35-1140070-720	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 447
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST MERCURY FINANCIAL CORPORATION	D Employer Identification Number (EIN) 38-2027233	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	104510	232515
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	541448	442540
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	14281336	14070185
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1247811	1566604
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	16175105	16311844

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	1400
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	1400

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	16175105	16310444
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	534688	
(B) Participants	2a(1)(B)	1589715	
(C) Others (including rollovers)	2a(1)(C)	324244	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2448647
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	21396	
(F) Other	2b(1)(F)	51843	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		73239
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-343978
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2177908

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2042569	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2042569
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2042569

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		135339
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):
 (1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:
 (1) Name: **MRPR GROUP CPAS & ADVISORS** (2) EIN: **38-2141969**

d The opinion of an independent qualified public accountant is **not attached** because:
 (1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....	☒		842
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		☒	
e Was this plan covered by a fidelity bond?.....	☒		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES 401(K) PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST MERCURY FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>38-2027233</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>35-0472300</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

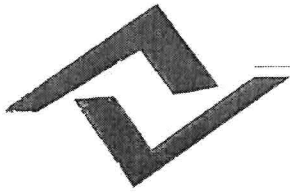
FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2011 AND 2010

AND

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Trustees and Participants
First Mercury Financial Corporation & Affiliates
401(k) Plan and Trust

We were engaged to audit the statement of net assets available for benefits of the First Mercury Financial Corporation & Affiliates 401(k) Plan and Trust (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedules listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Lincoln National Life Insurance Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2011 and 2010 and for the year ended December 31, 2011 that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

MRPR Group P.C.

Southfield, Michigan
September 28, 2012

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FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Investments, at fair value:		
Insurance company pooled separate accounts	\$ 14,070,185	\$ 14,281,336
Insurance company guaranteed fixed account	<u>1,710,925</u>	<u>1,302,465</u>
Total investments	15,781,110	15,583,801
Receivables:		
Employer contribution	232,515	104,510
Notes receivable from participants	<u>442,540</u>	<u>541,448</u>
Total receivables	<u>675,055</u>	<u>645,958</u>
Total assets	16,456,165	16,229,759
LIABILITIES:		
Overpaid contributions	<u>1,400</u>	<u>-</u>
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	16,454,765	16,229,759
Adjustment from fair value to contract value for fully benefit responsive investment contract	<u>(144,321)</u>	<u>(54,654)</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>16,310,444</u>	\$ <u>16,175,105</u>

See notes to financial statements.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ADDITIONS:

Additions to net assets attributed to:

Investment income (loss):

Net depreciation in fair value of pooled separate accounts	\$ (343,978)
Interest income in guaranteed fixed account	<u>51,843</u>

Net investment loss	(292,135)
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Interest income on notes receivable from participants	21,396
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Contributions:

Participant	1,589,715
Employer	534,688
Rollover	<u>324,244</u>

Total contributions	<u>2,448,647</u>
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Total additions	2,177,908
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DEDUCTIONS:

Deductions from net assets attributed to:

Benefits paid to participants	1,984,410
Administrative expenses	<u>58,159</u>

Total deductions	<u>2,042,569</u>
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NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	135,339
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NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>16,175,105</u>
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NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ <u>16,310,444</u>
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See notes to financial statements.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Description of Plan

The following summary description of the First Mercury Financial Corporation & Affiliates (the Company) 401(k) Plan and Trust (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan covering all full-time employees. Employees who are age twenty-one or older and have completed 30 days of service are eligible to participate in the Plan. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - Participants may contribute up to 20% of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Contributions are subject to limitations provided by the Internal Revenue Code ("IRC").

The Company may make matching contributions at the discretion of the Company's Board of Directors. During 2011, the Company matched 35% of the first 6% of participant deferrals. These matching contributions were \$534,688 for 2011.

Participant accounts - Each participant's account is credited with the participant's contribution and earnings from their directed investments and allocations of other Plan earnings, discretionary contributions, forfeitures and administration expenses. Allocations are based on earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - All participants are immediately 100% vested in their deferral and matching contributions plus actual earnings thereon.

Notes receivable from participants - Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms may be for up to five years or for a longer period of time if for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates at the time the loan is written. Principal and interest is paid ratably through weekly payroll deductions.

Payment of benefits - On termination of service due to death, disability or retirement or any other reason, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over his or her life expectancy.

Forfeitures accounts - At December 31, 2011 and 2010, there were no forfeited non-vested accounts.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - Summary of Significant Accounting Policies

Basis of accounting - The financial statements of the Plan are prepared under the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Investment valuation and income recognition - Investments are in pooled separate accounts and a guaranteed fixed account with Lincoln National Life Insurance Company, and are participant directed. The pooled separate accounts and the guaranteed fixed account are stated at fair value.

Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date, and interest is reflected in earnings and accrued as earned. Net depreciation of the fair value of investments consists of the unrealized gain or loss of investments held during the year and the realized gain or loss on investments sold during the year.

Notes receivable from participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses - The Company is paying the administration and participant recordkeeping costs of the Plan. The Company also pays the activity fees associated with the Plan. The Plan pays the fees charged by the Plan custodians.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Subsequent events - The Plan has evaluated subsequent events through September 28, 2012, the date the financial statements were available to be issued.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 3 - Summary of Information Certified by the Custodian (Unaudited)

The plan administrator has elected the method of compliance permitted by 29 CFR 2,520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Lincoln National Life Insurance Company, the custodian of the Plan, has certified to the completeness and accuracy of all investments reflected in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010 as well as the investment information disclosed in this note and the accompanying December 31, 2011 supplemental schedule of assets held at the end of the year, and the related investment activity reflected in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2011. The Plan's independent certified public accountants did not perform auditing procedures with respect to the information except for comparing such information to the related information included in the accompanying financial statements and supplemental information.

The following represents investments at December 31, 2011 and 2010. The individual investments that represent 5% or more of the Plan's assets are separately identified:

	<u>2011</u>	<u>2010</u>
Lincoln National Life Insurance Company:		
Insurance Company Pooled Separate Accounts:		
BlackRock Energy & Resources	\$ 847,703	\$ 976,287
Federal Govt Ultra Short Dur	1,934,038	1,773,624
LVIP Del Fndtn Aggress All	1,794,773	1,677,260
Other Funds	<u>9,493,671</u>	<u>9,854,165</u>
 Total insurance company pooled separate accounts	 <u>\$ 14,070,185</u>	 <u>\$ 14,281,336</u>
 Lincoln National Life guaranteed fixed account (at contract value)	 <u>\$ 1,566,604</u>	 <u>\$ 1,247,811</u>

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 4 - Fair Value Measurements

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Insurance company pooled separate accounts - Valued at fair value based on the net asset value (NAV) of similar shares held by the plan at year end. They are similar to mutual funds but are only available to group annuity contract holders.

Insurance company guaranteed fixed account - Valued at fair value by discounting the related cash flows based on current yields of similar investments with comparable durations considering the credit-worthiness of the issuer (see Note 5).

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 4 - Fair Value Measurements - (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

Fair Value Measurements at December 31, 2011			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			Total
Insurance company pooled separate accounts:			
Conservative funds	\$	\$ 1,934,038	\$ 1,934,038
Moderately conservative funds		1,617,686	1,617,686
Moderate funds		4,676,897	4,676,897
Moderately aggressive funds		3,340,270	3,340,270
Aggressive funds		<u>2,501,294</u>	<u>2,501,294</u>
Total insurance company pooled separate accounts		14,070,185	14,070,185
Insurance company guaranteed fixed account			<u>1,710,925</u>
Total investments at fair value	\$	\$ <u>14,070,185</u>	\$ <u>1,710,925</u>
			<u>\$ 15,781,110</u>

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 4 - Fair Value Measurements - (Continued)

	Fair Value Measurements at December 31, 2010			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Insurance company pooled separate accounts:				
Conservative funds	\$	\$ 1,773,624	\$	\$ 1,773,624
Moderately conservative funds		1,443,849		1,443,849
Moderate funds		4,619,886		4,619,886
Moderately aggressive funds		3,590,598		3,590,598
Aggressive funds		<u>2,853,379</u>		<u>2,853,379</u>
Total insurance company pooled separate accounts		14,281,336		14,281,336
Insurance company guaranteed fixed account			<u>1,302,465</u>	<u>1,302,465</u>
Total investments at fair value	\$ <u> </u>	\$ <u>14,281,336</u>	\$ <u>1,302,465</u>	\$ <u>15,583,801</u>

Level 3 gains and losses:

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2011:

	Insurance Company Guaranteed Fixed Account
Balance, beginning of year	\$ 1,302,465
Interest income	51,843
Purchases	148,124
Sales	(141,522)
Transfers in	260,348
Fair value adjustment from contract value	<u>89,667</u>
Balance, end of year	\$ <u>1,710,925</u>

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 5 - Investment Contract with Insurance Company

The Plan has an investment contract with Lincoln National Life Insurance Company. Lincoln National Life Insurance Company maintained the contributions in pooled separate accounts and a guaranteed fixed account which is considered benefit responsive. The investments are credited with actual earnings on the underlying investments and charged for participant withdrawals and administrative expenses charged by Lincoln National Life Insurance Company.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Lincoln National Life Insurance Company, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The fair value of the guaranteed fixed account at December 31, 2011 and 2010 was \$1,710,925 and \$1,302,465, respectively. The average yield and crediting interest rates for the guaranteed fixed account was 3.37% and 3.71% for 2011 and 2010, respectively.

Certain events, such as the premature termination of the contract by the Plan or the termination of the Plan, would limit the Plan's ability to transact at contract value with Lincoln National Life Insurance Company. The Plan administrator believes the occurrence of such events that would also limit the Plan's ability to transact at contract value with Plan participants is not probable.

NOTE 6 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated August 31, 2004 indicating that the Plan meets the requirements of Section 501(a) of the Internal Revenue Code and is exempt from taxation. Accordingly, no provision for Federal income taxes has been recorded in the financial statements.

A favorable determination letter means that the IRS has determined that the plan document(s) meets requirements of Section 401(a) of the Code and the trust forming part of the Plan is exempt from income taxation under Section 501(a) of the Code as of the date of the determination letter. To retain the tax-qualified status of the Plan and trust, they must be properly administrated and operate in a nondiscriminatory manner. The plan administrator is not aware of any activity or transactions that may adversely affect the qualified status of the Plan.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 6 - Tax Status - (Continued)

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS and state authorities. The Plan administrator has analyzed the tax position taken by the Plan, and has concluded that as of December 31, 2011, there are not uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 7 - Related Party Transactions

Certain plan investments are shares of mutual funds managed by Lincoln National Life Insurance Company. Lincoln National Life Insurance Company is the custodian of the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE 8 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 9 - Plan Merger - Subsequent Event

On April 2, 2012 the Plan was merged into a related Company's 401(k) Plan. All assets were distributed and deposited into the related plan. There were no termination fees associated with the merger. All plan participants were 100% vested in their accounts.

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

SCHEDULE H - LINE 4i - SCHEDULE OF
ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011
38-2027233 PLAN: 002

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Lincoln National Life Insurance Company	LVIP Blackrock Inflation Protected		\$ 229,665
*	Lincoln National Life Insurance Company	Del VIP Diversified Income		121,552
*	Lincoln National Life Insurance Company	Oppenheimer Developing Markets		366,399
*	Lincoln National Life Insurance Company	Delaware Term Div Income		52,924
*	Lincoln National Life Insurance Company	Temp Global Bond Securities		216,879
*	Lincoln National Life Insurance Company	Fidelity VIP Mid Cap		66,459
*	Lincoln National Life Insurance Company	LVIP Del Fndtn Conserv All		249,127
*	Lincoln National Life Insurance Company	LVIP Del Fndtn Moderat All		591,665
*	Lincoln National Life Insurance Company	LVIP Del Fndtn Aggress All		1,794,773
*	Lincoln National Life Insurance Company	LVIP Protected 2010		86,359
*	Lincoln National Life Insurance Company	LVIP Protected 2020		611,161
*	Lincoln National Life Insurance Company	LVIP Protected 2030		446,402
*	Lincoln National Life Insurance Company	LVIP Protected 2040		160,498
*	Lincoln National Life Insurance Company	LVIP SSgA S&P 500 Index		219,538
*	Lincoln National Life Insurance Company	Cohen & Steers Gbl REIT		71,102
*	Lincoln National Life Insurance Company	LVIP SSgA Small Cap Index		38,558
*	Lincoln National Life Insurance Company	LVIP Templeton Growth		26,012
*	Lincoln National Life Insurance Company	LVIP Del Growth & Income		183,490
*	Lincoln National Life Insurance Company	LVIP Delaware Bond		313,153
*	Lincoln National Life Insurance Company	Federal Gov Ultrashort Dur		1,934,038
*	Lincoln National Life Insurance Company	Columbia Acorn		195,223
*	Lincoln National Life Insurance Company	Franklin High Income		582,585
*	Lincoln National Life Insurance Company	Life Strategy Mod Growth		81,165
*	Lincoln National Life Insurance Company	LVIP International Value		49,602
*	Lincoln National Life Insurance Company	SSgA Russ All Cap		198,755
*	Lincoln National Life Insurance Company	SSgA Russ Small Mid Cap		386,305
*	Lincoln National Life Insurance Company	Invesco VanKampen Growth & Equity		89,372
*	Lincoln National Life Insurance Company	Life Strategy Conservative Growth		93,624
*	Lincoln National Life Insurance Company	Life Strategy Growth		121,137
*	Lincoln National Life Insurance Company	Delaware VIP Value		40,454
*	Lincoln National Life Insurance Company	LVIP Del Social Awareness		28,810
*	Lincoln National Life Insurance Company	Fidelity VIP ContraFund		396,944
*	Lincoln National Life Insurance Company	LVIP Mid Cap Value		142,284
*	Lincoln National Life Insurance Company	LVIP Vanguard Domestic Equity		62,972
*	Lincoln National Life Insurance Company	LVIP T. Rowe Growth Stock		138,962
*	Lincoln National Life Insurance Company	AB Global Thematic		15,836
*	Lincoln National Life Insurance Company	AB Small Mid Cap Value		102,166
*	Lincoln National Life Insurance Company	American Funds Small Cap World		198,595

FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST

SCHEDULE H - LINE 4a - SCHEDULE OF
DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2011

EIN#: 38-2027233 PLAN: 002

Participant Contribution
Transferred Late to Plan

Total That Contributes
Non-Exempt Prohibited
Transactions - Contributions
Corrected Outside VFCP

November, 2011

\$ 842

**FIRST MERCURY FINANCIAL CORPORATION & AFFILIATES
401(k) PLAN AND TRUST**

**SCHEDULE H - LINE 4i - SCHEDULE OF
ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011
38-2027233 PLAN: 002
(CONTINUED)**

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Lincoln National Life Insurance Company	American Funds Growth America		178,403
*	Lincoln National Life Insurance Company	American Funds Invest Co. America		131,282
*	Lincoln National Life Insurance Company	American Funds EuroPac Growth		199,014
*	Lincoln National Life Insurance Company	American Funds High Income		19,990
*	Lincoln National Life Insurance Company	American Funds Bond		74,875
*	Lincoln National Life Insurance Company	LVIP Bar Gr		17,510
*	Lincoln National Life Insurance Company	Delaware VIP Small Cap Value		212,627
*	Lincoln National Life Insurance Company	Dimensional U.S. Equity		176,457
*	Lincoln National Life Insurance Company	Franklin Growth		155,513
*	Lincoln National Life Insurance Company	Vanguard Int'l Equity		137,738
*	Lincoln National Life Insurance Company	WF Advantage Discovery		85,210
*	Lincoln National Life Insurance Company	Janus Aspen Enterprise		162,730
*	Lincoln National Life Insurance Company	Janus Aspen Janus		61,904
*	Lincoln National Life Insurance Company	MFS VIT Growth		75,454
*	Lincoln National Life Insurance Company	MFS VIT Utilities		203,710
*	Lincoln National Life Insurance Company	Invesco VK Small Cap Grth		44,222
*	Lincoln National Life Insurance Company	BlackRock Energy & Resources		847,703
*	Lincoln National Life Insurance Company	BlackRock Large Cap Value		100,911
*	Lincoln National Life Insurance Company	BlackRock Capital App		57,184
*	Lincoln National Life Insurance Company	BlackRock Mid Cap Value		87,317
*	Lincoln National Life Insurance Company	American Funds New Perspective		221,655
*	Lincoln National Life Insurance Company	LVIP SSgA Internat'l Index		3,711
*	Lincoln National Life Insurance Company	LVIP Delaware Special Opp.		26,720
*	Lincoln National Life Insurance Company	SSgA S & P Midcap Index		30,113
*	Lincoln National Life Insurance Company	SSgA Russ Growth		1,088
*	Lincoln National Life Insurance Company	LVIP SSgA Bond Index		6,062
*	Lincoln National Life Insurance Company	SSgA Russ LC Growth Index		960
*	Lincoln National Life Insurance Company	SSgA Russ SC V1		34,944
*	Lincoln National Life Insurance Company	SSgA Russ LC V1		10,147
*	Lincoln National Life Insurance Company	LVIP Protected 2050		39
*	Lincoln National Life Insurance Company	PIMCO Total Return		447
*	Lincoln National Life Insurance Company	Guaranteed fixed account - contract value		1,566,604
*	Participant loans	Interest rate - 4.75% - 9.25%, with varying maturity dates		442,540

* Party-in-Interest

Note: Column (d) is blank as all investments are participant directed.

LUCIA ZAMORANO, M.D., P.L.C.
401(K) PLAN AND TRUST

SAFE HARBOR NOTIFICATION TO ELIGIBLE EMPLOYEES

This is an annual notice and only applies to the Plan Year beginning on January 1, 2013.

This notice covers the following points:

- How much you can contribute to the Plan;
- What other amounts the Employer will contribute to the Plan for you; and
- When your Plan account will be vested (that is, not lost, when you leave your job), and when you can receive a distribution of your Plan account.

You can find out more information about the Plan in the Plan's Summary Plan Description (SPD). You can obtain a copy of the SPD from the Plan Administrator.

I. Employee deferral contributions

You are allowed to defer a portion of your compensation to the Plan. These amounts are referred to as deferrals and are held in an account for you. When you are permitted to take a distribution from the Plan, you will be entitled to all of your deferrals, as adjusted for any gains or losses. The type of compensation that may be deferred under the Plan is explained in the section of the Summary Plan Description entitled "What compensation is used to determine my Plan benefits?" (this is in the Article entitled "COMPENSATION AND ACCOUNT BALANCE"). That section of the Summary Plan Description will also indicate what compensation is used for purposes of determining the employer contribution described in this notice.

Your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The dollar limit may increase each year for cost-of-living adjustments. The amount you elect to defer on a pre-tax basis, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. However, the amount you defer on a pre-tax basis is counted as compensation for Social Security taxes.

If you are at least age 50 or will attain age 50 during a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the Plan. These are additional amounts that you may defer, up to an annual limit imposed by law, regardless of any other limits imposed by the Plan.

You may make either pre-tax 401(k) deferrals or Roth 401(k) deferrals. Your election regarding the amount and type of deferrals is irrevocable with respect to any deferrals already withheld from your compensation. If you make pre-tax 401(k) deferrals, your deferrals are not subject to income tax until distributed from the Plan. If you make Roth 401(k) deferrals, your deferrals are subject to income tax at the time of deferral. The Roth 401(k) deferrals, however, are not taxed when you receive a distribution from the Plan. In addition, if the distribution of Roth 401(k) deferrals is considered "qualified," then the earnings on the deferrals will not be subject to income tax when distributed from the Plan. Distributions from your Roth accounts will be considered "qualified" only if the distribution is on account of attainment of age 59 1/2, death or disability, and the distribution must not occur prior to the end of the 5-year participation period that begins with the first taxable year for which you made a Roth 401(k) deferral to the Plan, or if earlier, the first taxable year for which you made a Roth 401(k) deferral to another Roth 401(k) plan or Roth 403(b) plan that you rolled over to this Plan. Both types of deferrals are subject to Social Security taxes at the time of deferral. Your Employer will deduct the Social Security taxes, and in the case of Roth 401(k) deferrals will deduct income taxes, from your remaining compensation.

II. Employer Safe Harbor Contribution Election

To help you make an informed decision on the level of your own salary deferral contributions, if any, your Employer must inform you about the contributions it will make to the Plan. Your Employer has elected to make the following contribution:

Safe Harbor Nonelective Contribution. Your Employer has not yet committed to making a safe harbor contribution. In order to activate the Plan's "safe harbor" status, your Employer must amend the Plan to make a special safe harbor contribution. If your Employer decides to make this contribution, then you will receive a supplemental notice during the plan year informing you of this decision. If this safe harbor contribution is made, it will be at least 3% of your compensation. This contribution is 100% vested.

Excluded participants. In general, participants who are eligible to make salary deferrals to the Plan are entitled to the safe harbor contribution. However, the following participants are not eligible for the contribution:

- highly compensated employees (generally more than 5% owners or individuals receiving wages in excess of certain amounts established by law)

III. Other Employer Contributions

In addition to the above, other contributions may be made to the Plan. You should review the Article of the SPD entitled "EMPLOYER CONTRIBUTIONS" for details regarding these other contributions.

IV. Vesting

The following is a general explanation of the vesting provisions of the Plan. More details can be found in the Article of the SPD entitled "VESTING."

100% vested contributions. You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- salary deferrals including Roth 401(k) deferrals and catch-up contributions
- rollover contributions
- safe harbor contributions

Vesting schedules. Your "vested percentage" for Employer contributions is based on vesting Years of Service. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan. You will always, however, be 100% vested if you are employed on or after your Normal Retirement Age or if you die or become disabled prior to termination of employment.

Your "vested percentage" in your account attributable to profit sharing contributions is determined under the following schedule.

Vesting Schedule Profit Sharing Contributions	
Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Matching Contributions. Your "vested percentage" in your account attributable to matching contributions is determined under the following schedule.

Vesting Schedule Matching Contributions	
Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

V. Distribution provisions

The Plan and law impose restrictions on when you may receive a distribution from the Plan. Below is general information on when distributions may be made under the Plan. See the SPD for more details, including details on how benefits are paid. Also, at the time you are entitled to receive a distribution, the Plan Administrator will provide you with a notice explaining the rules regarding the taxation of the distribution.

You may elect to have your vested account balance distributed to you as soon as administratively feasible after the last day of the Plan Year coinciding with or next following the date on which you terminate employment.

If your vested account balance does not exceed \$5,000, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible after the last day of the Plan Year coinciding with or next following the date on which you terminate employment.

You may also withdraw money from the Plan from certain accounts if you have reached age 59-1/2. However, there are various rules and requirements that you must meet before any withdrawal is permitted. See the Article in the SPD entitled "DISTRIBUTIONS PRIOR TO TERMINATION" for more details.

You may withdraw money at any time from your rollover account.

VI. Administrative procedures

The amount that is contributed to the Plan from your compensation will be deducted from your pay in accordance with a procedure established by the Administrator. The procedure will require that you enter into a written salary deferral agreement after you satisfy the Plan's eligibility requirements. You may elect to defer a portion of your salary as of your entry date. Such election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it.

You are permitted to revoke your salary deferral election any time during the Plan Year. You may make any other modification on the first day of any payroll period or in accordance with any other procedure that your Employer provides. Any modification will become effective as soon as administratively feasible after received by the Administrator.

In addition to any other election periods provided above, you may make or modify a salary deferral election during the 30-day period immediately preceding the Plan Year for which this notice is being provided.

If you decide to start or change your salary deferral, you must complete the salary deferral agreement and return it to the Plan Administrator.

VII. Investments

Right to direct investment/default investment. You have the right to direct the investment of your directed accounts in any of the investment choices explained in the investment information materials provided to you.

We encourage you to make an investment election to ensure that amounts in the Plan are invested in accordance with your long-term investment and retirement plans.

VIII. Employer's right to terminate Plan

Pursuant to the terms of the Plan, your Employer has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the safe harbor 401(k) contribution) with respect to any compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

IX. Summary Plan Description

This notice is not a substitute for the Summary Plan Description. The provisions of the Plan are very complex and you should always look at the Summary Plan Description if you have any questions about the Plan. If, after reading the Summary Plan Description, you still have questions, contact the Plan Administrator.

X. Further Information

If you need additional information or have any question regarding the information provided in this notice, please contact the Plan Administrator. You may contact the Plan Administrator at:

Contact: Lucia Zamorano, M.D., P.L.C.
Address: 2372 Pine Lake Road
West Bloomfield, MI 48324
Telephone: (248) 723-2477

**LUCIA ZAMORANO, M.D., P.L.C.
401(K) PLAN AND TRUST**

SUPPLEMENTAL SAFE HARBOR NOTIFICATION TO ELIGIBLE EMPLOYEES

Earlier you were notified that your Employer may contribute to the Lucia Zamorano, M.D., P.L.C. 401(k) Plan and Trust a SAFE HARBOR 401(k) Nonelective Contribution for the Plan Year beginning on January 1, 2012. Accordingly, your Employer has decided to:

- ☐ 1. Not make a contribution
- ☐ 2. Amend the Plan to contribute ____% (at least 3%) of your compensation

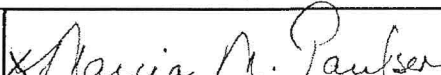
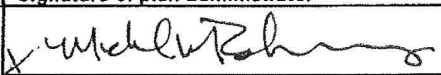
Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em;">2011</div> This Form Is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2011 or fiscal plan year beginning		01/01/2011	and ending
		12/31/2011	
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) _____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description) _____		

Part II Basic Plan Information—enter all requested information			
1a Name of plan First Mercury Financial Corporation & Affiliates 401(k) Plan & Trust		1b Three-digit plan number (PN) ▶	002
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) First Mercury Financial Corporation 26600 Telegraph Road Southfield MI 48033		07/01/1986 2b Employer Identification Number (EIN) 38-2027233 2c Sponsor's telephone number (248) 358-4010 2d Business code (see instructions) 524290	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	 Signature of plan administrator	x 10/10/12 Date	x MARCIA M. PAULSEN Enter name of individual signing as plan administrator
SIGN HERE	 Signature of employer/plan sponsor	x 10/10/12 Date	x MICHAEL W. ROSKIEWICZ Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SAME		3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	440
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		
a Active participants	6a	374
b Retired or separated participants receiving benefits	6b	0
c Other retired or separated participants entitled to future benefits	6c	60
d Subtotal. Add lines 6a, 6b, and 6c.	6d	434
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	0
f Total. Add lines 6d and 6e.	6f	434
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	355
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☒ 1 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Included with Accountants Opinion

Included with Accountants Opinion

Attachment to 2011 Form 5500
Schedule H, line 4a - Schedule of Delinquent Participant Contributions

Plan Name First Mercury Financial Corporation & Affiliates

EIN: 38-2027233

Plan Sponsor's Name First Mercury Financial Corporation

PN: 002

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check here if Late Participant Loan Repayments are included: ☐		842		