



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Motorists Commercial Mutual Insurance Company

NAIC Group Code02910291NAIC Company Code13331Employer's ID Number41-0299900
(Current)(Prior)

Organized under the Laws ofOhio, State of Domicile or Port of EntryOH
Country of DomicileUnited States of America

Incorporated/Organized05/25/1899Commenced Business01/04/1900

Statutory Home Office471 East Broad StreetColumbus , OH 43215
(Street and Number)(City or Town, State and Zip Code)

Main Administrative Office471 East Broad Street
(Street and Number)
Columbus , OH 43215614-225-8211
(City or Town, State and Zip Code)(Area Code) (Telephone Number)

Mail Address471 East Broad StreetColumbus , OH 43215
(Street and Number or P.O. Box)(City or Town, State and Zip Code)

Primary Location of Books and Records471 East Broad Street
(Street and Number)
Columbus , OH 43215614-225-8211
(City or Town, State and Zip Code)(Area Code) (Telephone Number)

Internet Website AddressMotoristsGroup.com

Statutory Statement ContactJoel B. Kratzer614-225-8327
(Name)(Area Code) (Telephone Number)
Accounting@MotoristsGroup.com614-225-8330
(E-mail Address)(FAX Number)

OFFICERS

Chairman, President & CEOJohn Jacob BishopTreasurerMichael Lee Wiseman
SecretarySusan Elizabeth HaackExecutive Vice PresidentDavid Lynn Kaufman

OTHER

Steven Eugene Manteufel Senior Vice President

DIRECTORS OR TRUSTEES

John Jacob Bishop	Larry Lee Forrester	Susan Elizabeth Haack
Sandra Werth Harbrecht #	David Lynn Kaufman	David William Lemon
Robert Lee McCracken	Thomas Charles Ogg	Robert Charles Smith
Charles Donovan Stapleton #	Robert Lynn Western #	Michael Lee Wiseman

State ofOhioSS:
County ofFranklin

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

John J. BishopChairman, President & CEOSusan E. HaackSecretaryMichael L. WisemanTreasurer

Subscribed and sworn to before me this20th day ofFebruary, 2012

a. Is this an original filing?Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	173,782,028		173,782,028	169,956,957
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	57,563,633	64,927	57,498,706	61,646,827
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$				
encumbrances)				
4.2 Properties held for the production of income (less				
\$ encumbrances)				
4.3 Properties held for sale (less \$				
encumbrances)				
5. Cash (\$(720,647) , Schedule E - Part 1), cash equivalents				
(\$0 , Schedule E - Part 2) and short-term				
investments (\$2,779,419 , Schedule DA)	2,058,772		2,058,772	7,317,299
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	21,240,017		21,240,017	24,165,033
9. Receivable for securities	9,415		9,415	1,514,325
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	254,653,866	64,927	254,588,939	264,600,441
13. Title plants less \$ charged off (for Title insurers				
only)				
14. Investment income due and accrued	1,840,831		1,840,831	1,749,968
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,942,217		8,942,217	9,149,540
15.2 Deferred premiums, agents' balances and installments booked but				
deferred and not yet due (including \$(65,000)				
earned but unbilled premiums)	12,095,479	1,192	12,094,287	36,707,689
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	6,052,690		6,052,690	5,640,729
16.2 Funds held by or deposited with reinsured companies	28,632,277		28,632,277	33,010,097
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	545,594		545,594	
18.2 Net deferred tax asset	12,536,788		12,536,788	8,940,519
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	17,061		17,061	40,874
21. Furniture and equipment, including health care delivery assets				
(\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	749,952		749,952	1,075,279
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	18,274,158	17,171,206	1,102,952	2,817,133
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	344,340,914	17,237,326	327,103,589	363,732,270
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts				
28. Total (Lines 26 and 27)	344,340,914	17,237,326	327,103,589	363,732,270
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Pooled general expenses receivable	943,548		943,548	2,653,653
2502. Equities and deposits in pools and associations	159,404		159,404	163,480
2503. Prepaid pension	17,061,279	17,061,279		
2598. Summary of remaining write-ins for Line 25 from overflow page	109,927	109,927		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	18,274,158	17,171,206	1,102,952	2,817,133

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	81,585,105	82,560,831
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	7,988,307	8,504,703
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	23,114,960	24,801,154
4. Commissions payable, contingent commissions and other similar charges	3,267,261	3,977,610
5. Other expenses (excluding taxes, licenses and fees)	1,014,590	1,098,702
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,063,602	1,133,610
7.1 Current federal and foreign income taxes (including \$789,302 on realized capital gains (losses))		110,144
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$13,281,013 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	51,078,651	55,671,712
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	1,388,534	1,242,123
12. Ceded reinsurance premiums payable (net of ceding commissions)	3,595,378	8,360,662
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	15,090,252	37,299,837
14. Amounts withheld or retained by company for account of others	399,477	1,052,821
15. Remittances and items not allocated	20,205	78,012
16. Provision for reinsurance (Schedule F, Part 7)	583,012	524,295
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	339,757	675,738
20. Derivatives		
21. Payable for securities	21,472	30,178
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	15,204,047	12,475,912
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	205,754,608	239,598,046
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	205,754,608	239,598,046
29. Aggregate write-ins for special surplus funds	1,269,082	1,673,175
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	120,079,898	122,461,049
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	121,348,980	124,134,224
38. TOTALS (Page 2, Line 28, Col. 3)	327,103,589	363,732,270
DETAILS OF WRITE-INS		
2501. Pension plan obligations	13,285,063	6,973,550
2502. Pooled general expenses payable	1,641,675	2,155,698
2503. Reinsurance assumed overhead payable	94,956	103,160
2598. Summary of remaining write-ins for Line 25 from overflow page	182,352	3,243,504
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	15,204,047	12,475,912
2901. Surplus from SSAP No. 10R	1,269,082	1,673,175
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	1,269,082	1,673,175
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	120,828,069	126,945,814
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	79,542,804	76,309,382
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	14,631,365	16,953,874
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	40,603,259	45,359,097
5. Aggregate write-ins for underwriting deductions	(4,625)	(1,295)
6. Total underwriting deductions (Lines 2 through 5)	134,772,804	138,621,058
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(13,944,734)	(11,675,244)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	6,581,133	6,814,178
10. Net realized capital gains or (losses) less capital gains tax of \$ 1,030,204 (Exhibit of Capital Gains (Losses))	2,511,991	3,722,991
11. Net investment gain (loss) (Lines 9 + 10)	9,093,124	10,537,169
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 19,563 amount charged off \$ 247,230)	(227,667)	(281,719)
13. Finance and service charges not included in premiums	612,606	675,201
14. Aggregate write-ins for miscellaneous income	9,314,355	(2,863,527)
15. Total other income (Lines 12 through 14)	9,699,295	(2,470,045)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,847,684	(3,608,120)
17. Dividends to policyholders	1,641,299	1,696,385
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	3,206,385	(5,304,504)
19. Federal and foreign income taxes incurred	(65,587)	(3,056,815)
20. Net income (Line 18 minus Line 19)(to Line 22)	3,271,972	(2,247,689)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	124,134,224	116,531,468
22. Net income (from Line 20)	3,271,972	(2,247,689)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (632,750)	(2,461,182)	6,719,791
25. Change in net unrealized foreign exchange capital gain (loss)	(35,123)	(41,669)
26. Change in net deferred income tax	829,012	4,987,756
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	249,894	(3,362,548)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(58,718)	(147,455)
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(4,581,099)	1,694,570
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(2,785,244)	7,602,756
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	121,348,980	124,134,224
DETAILS OF WRITE-INS		
0501. Change in premium deficiency reserve	(4,625)	(1,295)
0502. 		
0503. 		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	(4,625)	(1,295)
1401. Gain / (loss) on sale of discontinued book of business	9,327,051	(2,879,568)
1402. Miscellaneous income or expense	319	(448)
1403. Gain / (loss) from sale of assets other than securities	(4,268)	5,475
1498. Summary of remaining write-ins for Line 14 from overflow page	(8,747)	11,014
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	9,314,355	(2,863,527)
3701. Change in surplus from SSAP No. 10R	(404,093)	724,489
3702. Net change in pension plan obligations	(4,177,006)	970,081
3703. 		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	(4,581,099)	1,694,570

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	116,867,457	128,132,699
2. Net investment income	7,669,655	7,982,209
3. Miscellaneous income	7,343,084	(117,278)
4. Total (Lines 1 through 3)	131,880,196	135,997,630
5. Benefit and loss related payments	79,641,256	70,909,770
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	56,660,434	59,171,714
8. Dividends paid to policyholders	1,494,889	1,311,431
9. Federal and foreign income taxes paid (recovered) net of \$2,156,055 tax on capital gains (losses)	1,620,355	(2,684,857)
10. Total (Lines 5 through 9)	139,416,934	128,708,059
11. Net cash from operations (Line 4 minus Line 10)	(7,536,738)	7,289,571
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	72,652,881	77,398,331
12.2 Stocks	11,637,759	14,143,531
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	2,783,181	51,690
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(101)	
12.7 Miscellaneous proceeds	1,506,061	(1,450,496)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	88,579,781	90,143,057
13. Cost of investments acquired (long-term only):		
13.1 Bonds	75,781,670	58,642,745
13.2 Stocks	7,885,600	28,618,392
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	997,093	4,603,087
13.6 Miscellaneous applications	8,706	37,696
13.7 Total investments acquired (Lines 13.1 to 13.6)	84,673,069	91,901,920
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	3,906,712	(1,758,863)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(1,628,500)	(4,165,999)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,628,500)	(4,165,999)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(5,258,526)	1,364,709
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,317,299	5,952,589
19.2 End of period (Line 18 plus Line 19.1)	2,058,772	7,317,299

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

--	--	--

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	1,676,581	841,678	835,235	1,683,024
2.	Allied lines	1,318,474	663,701	691,564	1,290,611
3.	Farmowners multiple peril	1,184,277	523,406	536,062	1,171,621
4.	Homeowners multiple peril	24,512,143	13,287,876	13,048,627	24,751,393
5.	Commercial multiple peril	11,322,939	6,934,976	6,074,374	12,183,542
6.	Mortgage guaranty				
8.	Ocean marine	57,667	30,803	29,760	58,710
9.	Inland marine	2,987,422	1,631,660	1,529,240	3,089,842
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake	342,413	202,416	182,467	362,363
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health	5,073	1,190	675	5,588
16.	Workers' compensation	10,142,846	4,851,007	4,844,258	10,149,595
17.1	Other liability - occurrence	10,600,788	5,848,302	5,223,209	11,225,881
17.2	Other liability - claims-made	104,057			104,057
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	826,038	422,663	375,455	873,246
18.2	Products liability - claims-made				
19.1, 19.2	Private passenger auto liability	18,987,091	5,816,263	5,638,000	19,165,353
19.3, 19.4	Commercial auto liability	10,169,180	6,841,950	5,118,903	11,892,226
21.	Auto physical damage	19,039,515	7,396,782	6,632,574	19,803,723
22.	Aircraft (all perils)				
23.	Fidelity	123,987	57,871	59,121	122,737
24.	Surety	19,475	34,603	5,739	48,338
26.	Burglary and theft	122,343	110,152	66,174	166,322
27.	Boiler and machinery	193,376	123,105	120,116	196,365
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - nonproportional assumed property	1,741,991	30,249	41,240	1,730,999
32.	Reinsurance - nonproportional assumed liability	757,333	21,059	25,859	752,533
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	116,235,008	55,671,712	51,078,651	120,828,069
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	835,235				835,235
2.	Allied lines	691,564				691,564
3.	Farmowners multiple peril	536,062				536,062
4.	Homeowners multiple peril	13,048,627				13,048,627
5.	Commercial multiple peril	6,074,374				6,074,374
6.	Mortgage guaranty					
8.	Ocean marine	29,760				29,760
9.	Inland marine	1,529,240				1,529,240
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake	182,467				182,467
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health	675				675
16.	Workers' compensation	4,844,258				4,844,258
17.1	Other liability - occurrence	5,223,209				5,223,209
17.2	Other liability - claims-made					
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	375,455				375,455
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability	5,638,000				5,638,000
19.3, 19.4	Commercial auto liability	5,118,903				5,118,903
21.	Auto physical damage	6,632,574				6,632,574
22.	Aircraft (all perils)					
23.	Fidelity	59,121				59,121
24.	Surety	5,739				5,739
26.	Burglary and theft	66,174				66,174
27.	Boiler and machinery	120,116				120,116
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - nonproportional assumed property	41,240				41,240
32.	Reinsurance - nonproportional assumed liability	25,859				25,859
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	51,078,651				51,078,651
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					51,078,651
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case Daily method

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN						
Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
1. Fire	21,968	1,676,581	4,431	20,300	6,099	1,676,581
2. Allied lines	11,325	1,318,474	1,409	8,928	3,806	1,318,474
3. Farmowners multiple peril		1,184,277				1,184,277
4. Homeowners multiple peril	113,040	24,512,143	3,045	113,049	3,036	24,512,143
5. Commercial multiple peril	3,838,622	11,322,939		3,198,544	640,079	11,322,939
6. Mortgage guaranty						
8. Ocean marine		57,667				57,667
9. Inland marine	2,235,765	2,987,422		2,037,668	198,097	2,987,422
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	21,593	342,413		15,496	6,097	342,413
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health	27,424	5,073		27,424		5,073
16. Workers' compensation	1,371,379	10,142,846	120,272	1,292,171	199,480	10,142,846
17.1 Other liability - occurrence	3,491,762	10,600,788	(5)	2,750,414	741,343	10,600,788
17.2 Other liability - claims-made		104,057				104,057
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	428,410	826,038		427,200	1,210	826,038
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	11,512	18,987,091		11,466	46	18,987,091
19.3, 19.4 Commercial auto liability	5,129,819	10,169,180	317,833	5,422,267	25,385	10,169,180
21. Auto physical damage	2,721,946	19,039,515	132,049	2,550,004	303,991	19,039,515
22. Aircraft (all perils)						
23. Fidelity		123,987		0	0	123,987
24. Surety	105,723	19,475		105,268	455	19,475
26. Burglary and theft	335,904	122,343	11	334,901	1,014	122,343
27. Boiler and machinery	415,928	193,376		(36,055)	451,983	193,376
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX	1,741,991				1,741,991
32. Reinsurance - nonproportional assumed liability	XXX	757,333				757,333
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	20,282,120	116,235,008	579,044	18,279,044	2,582,120	116,235,008
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$

 2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 -3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	7,088	879,743	9,836	876,995	267,836	205,731	939,101	55.8
2.	Allied lines	14,743	1,698,053	15,715	1,697,081	247,093	228,022	1,716,151	133.0
3.	Farmowners multiple peril		792,110		792,110	91,214	214,129	669,195	57.1
4.	Homeowners multiple peril	32,435	21,652,045	34,715	21,649,764	6,241,440	6,213,973	21,677,231	87.6
5.	Commercial multiple peril	8,665,665	9,617,819	8,658,924	9,624,560	6,406,555	6,898,535	9,132,580	75.0
6.	Mortgage guaranty								
8.	Ocean marine		22,115		22,115	4,921	5,097	21,939	37.4
9.	Inland marine	1,019,879	1,310,267	1,019,879	1,310,267	270,398	321,537	1,259,128	40.8
10.	Financial guaranty								
11.1	Medical professional liability - occurrence		0		0		48	(48)	
11.2	Medical professional liability - claims-made								
12.	Earthquake								
13.	Group accident and health								
14.	Credit accident and health (group and individual)								
15.	Other accident and health	59,697	11,044	59,697	11,044	3,515	4,995	9,564	171.2
16.	Workers' compensation	3,972,721	6,052,994	4,413,089	5,612,627	15,915,520	15,359,960	6,168,187	60.8
17.1	Other liability - occurrence	17,792,357	4,583,203	17,792,395	4,583,165	12,867,024	13,056,798	4,393,391	39.1
17.2	Other liability - claims-made		29,890		29,890			29,890	28.7
17.3	Excess workers' compensation								
18.1	Products liability - occurrence	1,113,266	361,625	1,113,266	361,625	1,673,223	1,348,693	686,155	78.6
18.2	Products liability - claims-made								
19.1, 19.2	Private passenger auto liability	(19,731)	10,739,565	(19,731)	10,739,565	14,525,248	15,555,578	9,709,235	50.7
19.3, 19.4	Commercial auto liability	16,475,177	7,365,424	16,740,030	7,100,571	16,161,562	16,387,363	6,874,770	57.8
21.	Auto physical damage	9,920,662	14,467,961	10,025,592	14,363,031	1,078,063	1,182,401	14,258,693	72.0
22.	Aircraft (all perils)								
23.	Fidelity	(6,981)	47,470	(6,981)	47,470	21,201	53,489	15,181	12.4
24.	Surety	21,210	3,924	21,210	3,924	32,194	17,020	19,098	39.5
26.	Burglary and theft	197,881	40,308	197,882	40,308	51,913	83,261	8,959	5.4
27.	Boiler and machinery	11,857	3,040	11,857	3,040	13,875	16,558	357	0.2
28.	Credit								
29.	International								
30.	Warranty								
31.	Reinsurance - nonproportional assumed property	XXX	3,924,683	2,804,154	1,120,529	1,804,357	1,695,925	1,228,961	71.0
32.	Reinsurance - nonproportional assumed liability	XXX	528,851		528,851	3,907,954	3,711,719	725,086	96.4
33.	Reinsurance - nonproportional assumed financial lines	XXX							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	59,277,926	84,132,133	62,891,529	80,518,530	81,585,105	82,560,831	79,542,804	65.8
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire		205,009		205,009		62,828		267,836	23,067
2.	Allied lines		203,463		203,463		43,630		247,093	32,551
3.	Farmowners multiple peril		58,548		58,548		32,666		91,214	10,932
4.	Homeowners multiple peril		4,841,834		4,841,834	10,000	1,399,606	10,000	6,241,440	1,281,167
5.	Commercial multiple peril	4,067,429	3,985,292	4,067,429	3,985,292	8,694,616	2,421,262	8,694,616	6,406,555	1,552,042
6.	Mortgage guaranty									
8.	Ocean marine		1,591		1,591		3,330		4,921	2,094
9.	Inland marine	480,246	214,254	480,246	214,254	18,000	56,144	18,000	270,398	43,730
10.	Financial guaranty									
11.1	Medical professional liability - occurrence									
11.2	Medical professional liability - claims-made									
12.	Earthquake									
13.	Group accident and health								(a)	
14.	Credit accident and health (group and individual)									
15.	Other accident and health					19,000	3,515	19,000	(a) 3,515	
16.	Workers' compensation	12,755,767	12,161,914	17,048,410	7,869,271	9,992,952	11,827,133	13,773,836	15,915,520	2,672,899
17.1	Other liability - occurrence	3,522,385	6,204,905	3,522,385	6,204,905	7,175,086	6,662,119	7,175,086	12,867,024	6,981,463
17.2	Other liability - claims-made									
17.3	Excess workers' compensation									
18.1	Products liability - occurrence	2,082,500	837,755	2,082,500	837,755	2,977,914	835,468	2,977,914	1,673,223	1,369,428
18.2	Products liability - claims-made									
19.1, 19.2	Private passenger auto liability	20,790	9,919,537	20,790	9,919,537	7,000	4,605,712	7,000	14,525,248	3,193,197
19.3, 19.4	Commercial auto liability	20,459,463	8,978,138	20,814,348	8,623,253	20,116,000	7,621,367	20,199,058	16,161,562	5,496,980
21.	Auto physical damage	221,114	863,719	221,039	863,794		220,523	6,254	1,078,063	283,694
22.	Aircraft (all perils)									
23.	Fidelity		16,576		16,576	1,000	4,625	1,000	21,201	5,933
24.	Surety	134,024	24,794	134,024	24,794	40,000	7,400	40,000	32,194	3,217
26.	Burglary and theft	94,996	21,203	94,996	21,203	161,000	30,710	161,000	51,913	7,737
27.	Boiler and machinery	4,700	13,875	4,700	13,875				13,875	2,567
28.	Credit									
29.	International									
30.	Warranty									
31.	Reinsurance - nonproportional assumed property	XXX	1,594,995	618,866	976,130	XXX	3,963,121	3,134,894	1,804,357	71,839
32.	Reinsurance - nonproportional assumed liability	XXX	1,144,921		1,144,921	XXX	2,763,033		3,907,954	80,422
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34.	Aggregate write-ins for other lines of business									
35.	TOTALS	43,843,412	51,292,322	49,109,731	46,026,003	49,212,568	42,564,192	56,217,658	81,585,105	23,114,960
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

(a) Including \$0 for present value of life indemnity claims.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	3,382,549			3,382,549
1.2 Reinsurance assumed	4,955,798			4,955,798
1.3 Reinsurance ceded	3,464,534			3,464,534
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	4,873,813			4,873,813
2. Commission and brokerage:				
2.1 Direct excluding contingent		4,662,689		4,662,689
2.2 Reinsurance assumed, excluding contingent		19,274,632		19,274,632
2.3 Reinsurance ceded, excluding contingent		4,703,965		4,703,965
2.4 Contingent - direct		962,760		962,760
2.5 Contingent - reinsurance assumed		1,959,811		1,959,811
2.6 Contingent - reinsurance ceded		962,760		962,760
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		21,193,167		21,193,167
3. Allowances to managers and agents		890		890
4. Advertising		492,896		492,896
5. Boards, bureaus and associations	59,993	550,523		610,516
6. Surveys and underwriting reports		1,525,689		1,525,689
7. Audit of assureds' records		19,841		19,841
8. Salary and related items:				
8.1 Salaries	4,815,142	6,834,830	43,814	11,693,785
8.2 Payroll taxes	356,265	518,677	3,254	878,196
9. Employee relations and welfare	1,578,151	2,378,559	15,189	3,971,898
10. Insurance	52,680	71,737		124,417
11. Directors' fees	50,172	105,433	1,348	156,954
12. Travel and travel items	313,304	375,007		688,311
13. Rent and rent items	463,474	748,602	6,196	1,218,271
14. Equipment	586,185	945,856	3,645	1,535,686
15. Cost or depreciation of EDP equipment and software	333,314	450,318		783,632
16. Printing and stationery	68,356	148,248	1,252	217,856
17. Postage, telephone and telegraph, exchange and express	323,444	832,036	3,584	1,159,063
18. Legal and auditing	30,752	49,291	454,465	534,507
19. Totals (Lines 3 to 18)	9,031,233	16,048,432	532,745	25,612,409
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$3,503		2,232,757		2,232,757
20.2 Insurance department licenses and fees		138,584		138,584
20.3 Gross guaranty association assessments		(41,008)		(41,008)
20.4 All other (excluding federal and foreign income and real estate)		60,448		60,448
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		2,390,781		2,390,781
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	726,320	970,880		1,697,200
25. Total expenses incurred	14,631,365	40,603,259	532,745 (a)	55,767,370
26. Less unpaid expenses - current year	23,114,960	5,250,835	94,618	28,460,413
27. Add unpaid expenses - prior year	24,801,154	6,178,328	31,594	31,011,077
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	16,317,560	41,530,753	469,721	58,318,033
DETAILS OF WRITE-INS				
2401. Consulting fees	391,699	616,049		1,007,748
2402. Data services	190,924	103,838		294,761
2403. Reinsurance assumed overhead		145,596		145,596
2498. Summary of remaining write-ins for Line 24 from overflow page	143,697	105,397		249,095
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	726,320	970,880		1,697,200

(a) Includes management fees of \$100,000 to affiliates and \$0 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 2,120,589	2,033,296
1.1	Bonds exempt from U.S. tax	(a) 1,811,401	1,803,677
1.2	Other bonds (unaffiliated)	(a) 2,322,261	2,488,369
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated)	749,080	768,951
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 7,117	7,018
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income	12,566	12,566
10.	Total gross investment income	7,023,014	7,113,877
11.	Investment expenses .....	.....	(g) 532,745
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g)
13.	Interest expense .....	.....	(h)
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....
16.	Total deductions (Lines 11 through 15) .....	.....	532,745
17.	Net investment income (Line 10 minus Line 16) .....	.....	6,581,133
DETAILS OF WRITE-INS			
0901.	Security lending income	12,566	12,566
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	12,566	12,566
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	.....

- (a) Includes \$ 125,244 accrual of discount less \$ 1,241,606 amortization of premium and less \$ 255,901 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$.0 investment expenses and \$.0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	1,108,300		1,108,300	236,500	
1.1	Bonds exempt from U.S. tax	207,047		207,047		
1.2	Other bonds (unaffiliated)	260,796		260,796		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	2,353,498	(197,739)	2,155,759	(3,651,578)	
2.21	Common stocks of affiliates				1,125,169	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments	(101)		(101)		
7.	Derivative instruments					
8.	Other invested assets	(189,894)	(873)	(190,766)	(804,023)	(35,123)
9.	Aggregate write-ins for capital gains (losses)	1,161		1,161		
10.	Total capital gains (losses)	3,740,807	(198,612)	3,542,195	(3,093,932)	(35,123)
DETAILS OF WRITE-INS						
0901.	Litigation proceeds	1,151		1,151		
0902.	Proceeds from rights	10		10		
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	1,161		1,161		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	64,927	39,616	(25,311)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	64,927	39,616	(25,311)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,192	274,256	273,063
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets		112,050	112,050
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	17,171,206	16,657,205	(514,001)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	17,237,326	17,083,127	(154,199)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	17,237,326	17,083,127	(154,199)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Prepaid pension	17,061,279	16,435,951	(625,328)
2502. Prepaid expenses	75,949	75,619	(330)
2503. Automobiles	23,310	134,548	111,238
2598. Summary of remaining write-ins for Line 25 from overflow page	10,668	11,087	419
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	17,171,206	16,657,205	(514,001)

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. Accounting Practices
This statement has been completed in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.
- B. Use of Estimates in the Preparation of the Financial Statements
The preparation of financial statements in conformity with Statutory Accounting Principles as described in the *NAIC Annual Statement Instructions* and the *Accounting Practices and Procedures Manual* requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- C. Accounting Policy
Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed using the daily method for direct business and are based on reports received from ceding companies and/or pools for assumed business.
- Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.
- In addition, the company uses the following accounting policies:
- 1) Short-term investments are stated at amortized cost.
 - 2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
 - 3) Common stocks are valued at market. However, investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are valued using the equity basis.
 - 4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
 - 5) The company does not have any mortgage loans.
 - 6) Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The retrospective adjustment method is used to value these securities.
 - 7) The company owns 30% of the common stock of Motorists Life Insurance Company, a life insurer, and 100% of the common stock of MCM Agency, Inc., an insurance broker. Motorists Life Insurance Company is valued on an equity basis as described in Part 5, Section 2ciB1 of the *Securities Valuation Handbook*. MCM Agency, Inc. is valued on an equity basis as described in Part 5, Section 2ciB2 of the *Securities Valuation Handbook*.
 - 8) The company has investments in limited partnerships and limited liability companies. In accordance with SSAP No. 48: Joint Ventures, Partnerships and Limited Liability Companies, the investments are recorded using the equity method of accounting based on the underlying audited U.S. GAAP equity values of the holdings. The company also has partnership investments in low income housing tax credit properties. In accordance with SSAP No. 93: Accounting for Low Income Housing Tax Credit Property Investments, the investments are reported at amortized cost.
 - 9) The company does not hold any derivative securities.
 - 10) The company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts – Premiums.
 - 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported (IBNR). Such liabilities are necessarily based on assumptions and estimates. While management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
 - 12) The company has not modified its capitalization policy from the prior period.
 - 13) The company does not have any pharmaceutical rebate receivables to report.

2. Accounting Changes and Corrections of Errors

The company did not record any material changes in accounting principles or corrections of errors during the periods reported.

3. Business Combinations and Goodwill

The company did not have any business combination or goodwill transactions during the periods reported.

4. Discontinued Operations

On November 23, 2010, Motorists Commercial Mutual Insurance Company entered into an asset purchase agreement with Federated Mutual Insurance Company to sell the expiration and renewal rights to policies not marketed through its agency distribution system. As a result of the sale, which closed on January 4, 2011, the company recognized \$2,879,568 of expenses in 2010 and \$9,327,050 of income in 2011. The impact of the transaction is reflected in the aggregate write-ins for miscellaneous income line on Page 4 (line 14). The write-in description assigned to the transaction is "Gain / (loss) on sale of discontinued book of business."

The table provided below illustrates the effect this transaction had on the company's financial statements for the years ended December 31, 2010, and 2011.

For the Year Ended December 31				
Income Statement	2010	2011	Total	Line Item Reference
Sale proceeds	-	16,543,071	16,543,071	
Salaries, payroll taxes, and miscellaneous expenses	(2,662,666)	(2,180,638)	(4,843,304)	
Lease termination fee	-	(3,250,000)	(3,250,000)	
Commission and premium tax equity expenses	-	(1,785,383)	(1,785,383)	
Pension plan curtailment expenses	(216,902)	-	(216,902)	
Gain / (loss) on sale of discontinued book of business	(2,879,568)	9,327,050	6,447,482	Page 4, line 14
As of December 31				
Balance Sheet	2010	2011		Line Item Reference
Liability from sale of discontinued book of business	2,356,270	-		Page 3, line 25

5. Investments

- A. The company did not have any mortgage loans or mezzanine real estate loans during the periods reported.
- B. The company was not involved in any debt restructuring during the periods reported.
- C. The company did not have any reverse mortgages during the periods reported.
- D. Loan-Backed Securities
- 1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from market data vendors or broker dealer values.
 - 2) The company did not hold any loan-backed securities with other-than-temporary recognized losses.

NOTES TO FINANCIAL STATEMENTS

- 3) The company did not hold any loan-backed securities with current year other-than-temporary recognized losses.

4) The company did have any loan-backed securities with current year unrealized losses.

5) The company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.
- E. The company did not have any repurchase agreements or relevant securities lending transactions during the periods reported.
- F. The company did not have any investments in real estate during the periods reported.
- G. The company invested in a low income housing tax credit (LIHTC) fund during 2011.

1) As of December 31, 2011, the company's LIHTC investments had 7 years of unexpired tax credits remaining. There is not a required holding period for the LIHTC investments.

2) As of the date of this publication, there were not any underlying properties in the LIHTC funds known to be under regulatory review.

3) In aggregate, the company's LIHTC investments did not exceed 10% of total admitted assets during 2011.

4) The company did not recognize any impairment losses on LIHTC investments during 2011.

5) The company did not make any write-downs or reclassifications due to forfeitures, ineligibility of low income housing tax credits, or other reasons during 2011.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The company did not have any investments in joint ventures, partnerships or limited liability companies that exceeded 10% of admitted assets during the periods reported.
- B. The company did not recognize any impairment write-downs for investments in joint ventures, partnerships or limited liability companies during the periods reported.

7. Investment Income

- A. The company did not exclude any due and accrued investment income from surplus during the periods reported.
- B. The total amount excluded was \$0.

8. Derivative Instruments

The company did not own derivative financial instruments during the periods reported.

9. Income Taxes

- A. The components of the company's deferred tax assets (DTAs) and deferred tax liabilities (DTLs) and the change between the years are as follows:

	12/31/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a Gross Deferred Tax Assets	14,812,830	708,152	15,520,982	11,858,879	832,636	12,691,515	2,953,951	(124,484)	2,829,467
b Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
c Adjusted Gross Deferred Tax Assets(1a-1b)	14,812,830	708,152	15,520,982	11,858,879	832,636	12,691,515	2,953,951	(124,484)	2,829,467
d Deferred Tax Liabilities	82,130	2,902,064	2,984,194	69,580	3,681,416	3,750,996	12,550	(779,352)	(766,802)
e Subtotal Net Deferred Tax Assets(Liabilities) (1c-1d)	14,730,700	(2,193,912)	12,536,788	11,789,299	(2,848,780)	8,940,519	2,941,401	654,868	3,596,269
f Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
g Net Admitted Deferred Tax Assets(Liabilities) (1e-1f)	14,730,700	(2,193,912)	12,536,788	11,789,299	(2,848,780)	8,940,519	2,941,401	654,868	3,596,269
4	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components									
SSAP NO. 10R Paragraphs 10a, 10b and 10c									
a SSAP No. 10R, Paragraph 10a	859,621	91,218	950,839	-	-	-	859,621	91,218	950,839
b SSAP NO. 10R, Paragraph 10b	10,316,867	-	10,316,867	7,084,164	183,180	7,267,344	3,232,703	(183,180)	3,049,523
(the lesser of 10.b.1 and 10.b.ii below)									
c SSAP No. 10R, Paragraph 10.b.i	10,354,876	-	10,354,876	7,084,164	183,180	7,267,344	3,270,712	(183,180)	3,087,532
d SSAP No. 10R, Paragraph 10.b.ii	10,316,867	-	10,316,867	10,630,372	183,180	10,813,552	(313,505)	(183,180)	(496,685)
e SSAP No. 10R, Paragraph 10.c	2,367,260	616,934	2,984,194	3,101,540	649,456	3,750,996	(734,280)	(32,522)	(766,802)
f Total (4a+4b+4e)	13,543,748	708,152	14,251,900	10,185,704	832,636	11,018,340	3,358,044	(124,484)	3,233,560
Admission Calculation Components									
SSAP No. 10R, Paragraph 10e									
g SSAP No. 10R, Paragraph 10.e.i	(182,437)	182,437	-	-	-	-	(182,437)	182,437	-
h SSAP NO. 10R, Paragraph 10.e.ii	1,572,970	-	1,572,970	1,985,166	366,360	2,351,526	(412,196)	(366,360)	(778,556)
(the lesser of 10.e.ii.a and 10.e.ii.b below)									
i SSAP No. 10R, Paragraph 10.e.ii.a	1,572,970	-	1,572,970	1,985,166	366,360	2,351,526	(412,196)	(366,360)	(778,556)
j SSAP No. 10R, Paragraph 10.e.ii.b	5,158,434	-	5,158,434	5,040,416	366,360	5,406,776	118,018	(366,360)	(248,342)
k SSAP No. 10R, Paragraph 10.e.iii	(121,451)	(182,437)	(303,888)	(311,991)	(366,360)	(678,351)	190,540	183,923	374,463
l Total (4g+4h+4k)	1,269,082	-	1,269,082	1,673,175	-	1,673,175	(404,093)	-	(404,093)
Used in SSAP No. 10R, Paragraph 10d									
m Total adjusted capital	xxx	xxx	122,357,857	xxx	xxx	125,080,102	xxx	xxx	(2,722,245)
n Authorized control level	xxx	xxx	16,256,540	xxx	xxx	16,942,523	xxx	xxx	(685,983)
5	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Impact of Tax Planning Strategies									
a Adjusted Gross DTAs	37.1%	0.0%	37.1%	65.0%	0.0%	65.0%	-27.9%	0.0%	-27.9%
(% of Total Adjusted Gross DTAs)									
b Net Admitted Adjusted Gross DTAs	45.9%	0.0%	45.9%	92.2%	0.0%	92.2%	-46.4%	0.0%	-46.4%
(% of Total Net Admitted Adjusted Gross DTAs)									
6	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP NO. 10R, Paragraphs 10a,10b and 10c									
a Admitted Deferred Tax Assets	13,461,618	(2,193,912)	11,267,706	10,116,124	(2,848,780)	7,267,344	3,345,494	654,868	4,000,362
b Admitted Assets	xxx	xxx	325,834,507	xxx	xxx	362,059,095	xxx	xxx	(36,224,588)
c Adjusted Statutory Surplus *	xxx	xxx	103,168,670	xxx	xxx	108,135,160	xxx	xxx	(4,966,490)
d Total Adjusted Capital from DTAs	xxx	xxx	121,088,775	xxx	xxx	123,406,927	xxx	xxx	(2,318,152)
Increase due to SSAP No. 10R, Paragraph 10e									
e Admitted Deferred Tax Assets	1,269,082	-	1,269,082	1,673,175	-	1,673,175	(404,093)	-	(404,093)
f Admitted Assets	1,269,082	-	1,269,082	1,673,175	-	1,673,175	(404,093)	-	(404,093)
g Statutory Surplus	1,269,082	-	1,269,082	1,673,175	-	1,673,175	(404,093)	-	(404,093)

* As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10b

- B. Deferred tax liabilities were not recognized for the following amounts:
NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

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

	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>Change</u>
1 Current Income Tax			
Federal	(65,587)	(3,056,815)	2,991,228
Foreign	-	-	-
Subtotal	(65,587)	(3,056,815)	2,991,228
Federal income tax on net capital gains	1,030,204	1,857,148	(826,944)
Utilization of capital loss carry-forwards	-	-	-
Other	-	-	-
Federal and foreign income taxes incurred	<u>964,617</u>	<u>(1,199,667)</u>	<u>2,164,284</u>

Deferred income tax assets and liabilities consist of the following major components:

	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>Change</u>
2 Deferred tax assets:			
a Ordinary			
Discounting of unpaid losses	4,277,142	4,312,960	(35,818)
Unearned premium reserve	3,473,348	3,785,676	(312,328)
Compensation and benefit accruals	57,528	121,800	(64,272)
Investments	-	-	-
Minimum Pension Liability	4,516,921	2,382,414	2,134,507
Fixed Assets	14,651	45,924	(31,273)
Foreign tax, LIHC and AMT credit carry-forward	849,051	564,726	284,325
Net operating loss carry-forward	-	323,592	(323,592)
Policyholders dividends accruals	472,102	-	472,102
Nonadmitted Assets	29,855	-	29,855
Lease early termination	1,105,000	-	1,105,000
Other	<u>17,232</u>	<u>321,787</u>	<u>(304,555)</u>
99 Subtotal	<u>14,812,830</u>	<u>11,858,879</u>	<u>2,953,951</u>
b Statutory Valuation Allowance adjustment	-	-	-
c Nonadmitted	-	-	-
d Admitted ordinary deferred tax assets (2a99-2b-2c)	<u>14,812,830</u>	<u>11,858,879</u>	<u>2,953,951</u>
e Capital			
Investments	708,152	832,636	(124,484)
Partnerships	-	-	-
99 Subtotal	<u>708,152</u>	<u>832,636</u>	<u>(124,484)</u>
f Statutory Valuation Allowance adjustment	-	-	-
g Nonadmitted	-	-	-
h Admitted capital deferred tax assets (2e99-2f-2g)	<u>708,152</u>	<u>832,636</u>	<u>(124,484)</u>
i Admitted deferred tax assets (2d + 2h)	<u>15,520,982</u>	<u>12,691,515</u>	<u>2,829,467</u>
3 Deferred Tax Liabilities:			
a Ordinary			
Investments	82,130	69,580	12,550
Fixed Assets	-	-	-
Prepaid pension	-	-	-
Other	-	-	-
99 Subtotal	<u>82,130</u>	<u>69,580</u>	<u>12,550</u>
b Capital			
Investments	<u>2,902,064</u>	<u>3,681,416</u>	<u>(779,352)</u>
Deferred tax liabilities (3a99+3b99)	<u>2,984,194</u>	<u>3,750,996</u>	<u>(766,802)</u>
Net deferred tax assets/liabilities	<u>12,536,788</u>	<u>8,940,519</u>	<u>3,596,269</u>

D. The company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

	<u>12/31/2011</u>	<u>12/31/2010</u>
Current income taxes incurred	964,617	(1,199,667)
Change in deferred income tax (without tax on unrealized gains/losses and min. pension liability)	(682,410)	(5,415,915)
Total income tax reported	<u>282,207</u>	<u>(6,615,582)</u>
Income before taxes	4,236,589	(3,447,356)
Expected income tax expense (benefit) at 35% statutory rate	1,482,806	(1,206,575)
Increase (decrease) in actual tax resulting from:		
a) Tax exempt interest net of proration	(517,612)	(591,189)
b) Dividends received deduction net of proration	(116,016)	(98,232)
c) Change in deferred tax benefit on nonadmitted assets	(43,821)	(5,767,598)
d) AMT, low income housing and foreign tax credits	(284,325)	(219,975)
e) Affiliated dividends due	-	-
f) Recognized partnership income	(462,160)	838,086
g) Prior year fair plan	-	-
h) Rate Differential	(42,366)	34,474
i) Treasury Inflation Protection securities	80,410	193,750
j) Change in Valuation Allowance	-	-
k) Other	185,291	201,677
Total income tax reported	<u>282,207</u>	<u>(6,615,582)</u>

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- E. 1) As of December 31, 2011, Motorists Commercial Mutual Insurance Company had \$849,051 of AMT credit carry forwards that originated in 2011 and will not expire.
- 2) The amounts of federal income taxes incurred that are available for recoupment in the event of future net losses are as follows:
- | | |
|-------------------------|---------|
| 2011 (current year) | 950,839 |
| 2010 (current year - 1) | - |
| 2009 (current year - 2) | - |
- 3) The company did not have any deposits admitted under Section 6603 of the Internal Revenue Service (IRS) Code as of December 31, 2011.
- F. 1) The company's federal income tax return was consolidated with the following entities:
- MCM Insurance Agency, Inc.
AHM Insurance Agency, Inc. of KY
AHM Insurance Agency, Inc. of MA
AHM Insurance Agency, Inc. of OH
- 2) The method of allocation between the companies is subject to written agreement, approved by the board of directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually when the federal income tax return is filed.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. - C. On January 2, 2011, Phenix Mutual Fire Insurance Company sold its 44.8% equity interest in N.E. Corporation, the parent of Casco Indemnity Company, to Ohio Mutual Insurance Company for \$3,824,316. Phenix Mutual realized a net capital gain of \$60,511 as a result of the sale. Per the terms of the sale agreement, Phenix deposited \$448,000 of its proceeds in an escrow account. In the event of unfavorable development on the loss reserves reported by Casco Indemnity Company as of December 31, 2010, Phenix Mutual may be required to return all or a portion of the funds to Ohio Mutual. The loss development tracking period extends through December 31, 2013, with a final settlement to be made in 2014. The funds on deposit have been nonadmitted in Phenix Mutual's financial statement. Schedule Y was modified to reflect the aforementioned sale.

On September 10, 2010, Acquilla Company, a wholly-owned subsidiary of Phenix Mutual Fire Insurance Company, was dissolved. As a result of the dissolution, Phenix Mutual assumed all of the subsidiary's assets and liabilities, which totaled \$2,166,216 and \$266,391, respectively. The company also posted an entry to remove its original capital investment of \$786,897. The aforementioned transaction resulted in a realized capital gain of \$1,112,928, but it did not impact the company's surplus. Schedule Y was modified accordingly.

- D. As of December 31, 2011, and 2010, the company reported net amounts due from affiliates of \$410,195 and \$399,541, respectively. All amounts were settled within 30 days.
- E. The company did not have any guarantees or undertakings for the benefit of an affiliate or related party that resulted in a material contingent exposure to the company or any related parties during the periods reported.
- F. During the periods reported, the company had a management agreement with Motorists Mutual Insurance Company, an Ohio-based affiliate, whereby Motorists provided management services to the company. The company also had an arrangement with its affiliates whereby costs for common facilities and support services were shared. Effective December 31, 2011, the company entered into a separate agreement with Motorists Service Corporation (MSC), a wholly owned subsidiary of Motorists, whereby MSC delivered staffing services to the company.
- G. The company is a mutual property/casualty insurer and an affiliate of The Motorists Insurance Group. Motorists Mutual Insurance Company is the ultimate controlling entity of The Group through an interlocking board of directors.
- H. The company did not own any shares, directly or indirectly, of an upstream intermediate entity or ultimate parent during the periods reported.
- I. The company did not have any investments in subsidiary, controlled or affiliated entities that exceed 10% of admitted assets during the periods reported.
- J. The company did not recognize any impairment write-downs for investments in subsidiary, controlled or affiliated entities during the periods reported.
- K. The company did not have any investments in foreign insurance subsidiaries during the periods reported.
- L. The company did not have any investments in downstream non-insurance holding companies during the periods reported.

11. Debt

- A. The company did not have any capital notes or other debt obligations outstanding during the periods reported.
- B. The company did not have any Federal Home Loan Bank agreements in place during the periods reported.

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

- A. Effective December 31, 2011, associates of the company became employed by Motorists Service Corporation, a wholly owned subsidiary of Motorists Mutual Insurance Company, and were eligible to participate in the defined benefit pension plan sponsored by Motorists Mutual Insurance Company (Motorists Plan). Also, effective that date the company sponsored defined benefit pension plan merged with the Motorists Plan. All assets and liabilities of the company sponsored plan were transferred to the Motorists Plan. Information on the Motorists Plan is disclosed in the Motorists Mutual Insurance Company's financial statement.

A summary of the previous plan, American Hardware Mutual Insurance Company Provident Plus plan, assets, obligations and assumptions as of December 31, 2011, and 2010, is provided below.

	Pension Benefits	
	2010	2011
1) Change in projected benefit obligation:		
a. Benefit obligation at beginning of year	54,028,132	58,038,298
b. Service cost	963,959	217,439
c. Interest cost	3,161,676	3,037,645
d. Actuarial (gain) loss	4,038,773	5,211,554
e. Benefits paid	(2,483,756)	(3,269,631)
f. Business curtailments, settlements, and plan merger	(1,670,486)	(63,235,305)
g. Benefit obligation at end of year	58,038,298	0
2) Change in plan assets:		
a. Fair value of plan assets at beginning of year	42,565,191	50,462,340
b. Actual return on plan assets	6,380,905	548,079
c. Employer contributions	4,000,000	1,500,000
d. Benefits paid	(2,483,756)	(3,269,631)
e. Business curtailments, settlements, and plan merger	0	(49,240,788)
f. Fair value of plan assets at end of year	50,462,340	0
3) Funded status:		
a. Funded status	(7,575,958)	0
b. Unrecognized net (gain) or loss	24,011,909	0
c. Remaining net obligation or net (asset) at initial date of application	0	0
d. Business curtailments, settlements, and plan merger	0	0
e. Prepaid assets or (accrued liabilities)	16,435,951	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

4) Accumulated benefit obligation for vested associates and partially vested associates to the extent vested:

<u>2010</u>	<u>2011</u>
57,435,889	0

5) The company did not have any obligations for non-vested associates.

6) Components of net periodic benefit cost:

	<u>2010</u>	<u>2011</u>	
a. Service cost	963,959		-
b. Interest cost	3,161,676		-
c. Expected return on plan assets	(4,076,307)		-
d. Amortization of unrecognized transition obligation or transition (asset)	-		-
e. Amount of recognized (gains) and losses	1,430,837		-
f. Special termination benefits	216,902		-
g. Total net periodic benefit cost	1,697,067		-

7) A minimum pension liability adjustment is required when the actuarial present value of the accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, net of tax benefit, is reported as a component of unassigned surplus funds. As of December 31, 2011 and 2010, the company's additional minimum liability balances were \$13,285,063 and \$6,973,550 respectively.

8) Weighted-average assumptions as of December 31:

	<u>2010</u>	<u>2011</u>
a. Discount rate	5.30%	N/A
b. Rate of compensation increase	3.50%	N/A
c. Expected long-term rate of return on plan assets	8.25%	N/A

B. The company sponsored a defined contribution savings plan for the benefit of substantially all associates during the periods reported. The company contributed an amount equal to 35% of the first 6% of associate contributions. Company contributions to the plan were \$40,678 and \$130,411 for 2011 and 2010, respectively. Effective December 31, 2011, associates became eligible to participate in an incentive savings plan sponsored by an affiliate, Motorists Mutual Insurance Company.

C. The company did not participate in any multi-employer plans during the periods reported.

D. The company did not participate in any consolidated/holding company plans during the periods reported.

E. The company's financial records include adequate accruals for all post-employment benefit obligations and compensated absences.

F. The company did not sponsor or participate in any post-retirement benefits plans during the periods reported.

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

- Information concerning capital stock is not applicable. The company is a mutual property/casualty insurer.
- Information concerning preferred stock is not applicable. The company is a mutual property/casualty insurer.
- Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- Information concerning stock dividend payments is not applicable. The company is a mutual property/casualty insurer.
- Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- There were not any restrictions on the company's surplus during the periods reported.
- There were not any advances to surplus to disclose for the periods reported.
- The company did not hold any stock for special purposes during the periods reported.
- The change in the company's special surplus funds balance (Page 3, line 29) can be attributed to the reporting requirements necessitated by SSAP No. 10R: Income Taxes.
- As of December 31, 2011, the portion of unassigned funds (surplus) represented by cumulative unrealized gains (net of deferred FIT) was \$6,951,991.
- The company did not have any surplus debentures or similar obligations to disclose for the periods reported.
- Information concerning quasi-reorganization is not applicable.
- Information concerning quasi-reorganization is not applicable.

14. Contingencies

A. Contingent Commitments

- At December 31, 2011, the company had outstanding commitments associated with joint venture interests totaling \$6,647,784.
- The aforementioned commitments are not reflected as liabilities in the accompanying financial statement. The figure presented represents the sum of the company's maximum potential outlays related to the commitments. Other details are provided below.

(1)	(2)	(3)	(4)	(5)
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted)	Current status of payment or performance risk of guarantee
HarbourVest Partners, LLC	-	Increase in other invested assets	6,370,284	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	-	Increase in other invested assets	277,500	All current capital calls have been funded.
Total	-		6,647,784	

- The undiscounted amount of the company's maximum potential future payments related to its aggregate commitments is \$6,647,784. No portion of this amount is reflected as a liability in the accompanying financial statement. The ultimate impact to the company's financial position as a result of having to satisfy these commitments would be an increase in the value of its other invested assets (Page 2, line 8).

B. Assessments

The company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss-based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The company's net paid guaranty fund assessments totaled \$(11,257) and \$(98,171) for the years ended December 31, 2011, and 2010, respectively. The company's net accrued liabilities for guaranty funds were \$123,736 and \$153,486 as of December 31, 2011, and 2010, respectively. Per the accounting practices and procedures prescribed by the company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.

C. Gain Contingencies

The company did not have any material gain contingencies to disclose for the periods reported.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
In the current reporting period, the company made a direct payment of \$20,000 to settle a claims related extra contractual obligation (ECO) stemming from a lawsuit. The company did not make any payments to settle bad faith claims during the period. Incidentally, claims related ECO and bad faith claim count information is disclosed on a per claimant basis.
- E. Product Warranties
The company did not have any contingent liabilities associated with product warranties to disclose for the periods reported.
- F. All Other Contingencies
The company did not have any other contingent liabilities arising from litigation, income taxes, or other matters that were material in nature. All assets that the company considered to be impaired were valued at market prior to the closing of the company's financial records.

15. Leases

- A. Leasing Arrangements
- 1) In December 2011, the company paid \$3,250,000 in termination fees and escrow contributions related to the extinguishment of an office space lease that originally extended to July 2018. The company leases computer-related equipment under various operating lease arrangements and has entered into various agreements for information technology-related services through December 2016. The expenses for these commitments for 2011 and 2010 were \$2,418,718 and \$1,857,747, respectively.
- 2) As of December 31, 2011, the company had aggregate commitments of \$4,283,529. Commitments for the next five years are as follows:
- | Fiscal Year | Commitment |
|-------------|------------|
| 2012 | 2,438,267 |
| 2013 | 931,659 |
| 2014 | 710,633 |
| 2015 | 116,343 |
| 2016 | 86,627 |
- 3) The company was not involved in sale-leaseback transactions during the periods reported.
- B. The company subleased office space to non-affiliated parties during the periods reported. This was not a significant part of the company's business activities.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The company did not have any investments in financial instruments with off-balance sheet risk during the periods reported.

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

- A. The company did not have any transfers of receivables reported as sales during the periods reported.
- B. Transfer and Servicing of Financial Assets
- 1) The company did not obtain any assets or incur any liabilities due to the transfer of financial assets during the periods reported.
- 2) As of December 31, 2011, the company was not involved in any securities lending programs.
- 3) The company did not have any servicing assets or servicing liabilities to disclose for the periods reported.
- 4) The company did not securitize any financial assets during the periods reported.
- 5) The company did not have any retained interests in securitized financial assets during the periods reported.
- 6) The company was not involved in any transfers of receivables during the periods reported.
- C. Wash Sales
In the course of the company's asset management, there were not any securities sales and reacquisitions made within 30 days of the sale date to enhance the yield on the investment portfolio.

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

The company did not serve as an Administrative Services Only (ASO) or as an Administrative Services Contract (ASC) plan administrator during the periods reported.

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

The company did not write any direct premiums through managing general agents or third party administrators during the periods reported.

20. Fair Value Measurements

- A. Fair Value Hierarchy
- 1) Information regarding assets measured at fair value on a recurring basis is provided below.

Description for each class of asset or liability	Fair Value Measurements at December 31, 2011 Using			
	Total	Quoted Prices	Significant	Significant
		in Active	Other	Unobservable
		Markets for	Observable	Inputs
		Identical Assets	Inputs	
		(Level 1)	(Level 2)	(Level 3)
Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	-	-	-	-
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	-	-	-
Hybrid Securities	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	-	-	-
Common Stock				
Industrial and Misc	41,442,855	41,410,069	-	32,785
Parents, Subsidiaries and Affiliates	16,120,779	-	-	16,120,779
Total Common Stocks	57,563,633	41,410,069	-	16,153,564
Other invested assets	19,831,225	-	-	19,831,225
Total assets at fair value	77,394,859	41,410,069	-	35,984,789

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

2) Information regarding assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is provided below.

	Preferred Stock	Fixed Maturities	Common Stock	Other Invested Assets	Total
Beginning balance, January 1, 2011	-	-	14,976,646	22,566,348	37,542,993
Total gains or losses included in Net Income (realized)	-	-	-	-	-
Total gains or losses included in Surplus (unrealized)	-	-	1,176,918	(839,146)	337,772
Purchases	-	-	-	888,068	888,068
Issuances	-	-	-	-	-
Sales	-	-	-	(2,784,044)	(2,784,044)
Settlements	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Ending balance, December 31, 2011	-	-	16,153,564	19,831,225	35,984,789

- 3) The company did not recognize any transfers into or out of the Level 3 classification during the reporting period. The company's policy is to recognize transfers of this nature on the actual date of the event or change in circumstances that caused the transfer.
- 4) The company valued common stocks using the equity method. Other invested assets were valued using equity statements from the respective fund managers.
- 5) The company does not hold any derivative assets or liabilities.

21. Other Items

- A. Extraordinary Items
The company did not have any extraordinary items to disclose for the periods reported.
- B. Troubled Debt Restructuring: Debtors
The company did not have any transactions related to troubled debt restructurings during the periods reported.
- C. Other Disclosures
- 1) The company elected to use rounding in the reporting of amounts in this statement.
- 2) The table below summarizes the company's net unpaid loss and loss adjustment expense reserves for accident years 1997 through 2001 and prior for all applicable statutory categories reported in Schedule P, Part 1, columns 13 through 24 of the Annual Statement. All amounts shown are in thousands.

Schedule P Category	Loss Year	Case Basis	Bulk & IBNR	Def & Cost Containment	Adjusting & Other Exp	Salvage & Subrogation	Loss & Exp Total Unpaid
Part 1A	Prior	3	-	0	0	-	3
Homeowners/	1997	1	-	0	0	-	1
Farmowners	1998	-	-	-	-	-	-
	1999	3	-	0	0	-	3
	2000	2	-	0	0	-	3
	2001	44	(7)	1	2	-	40
	Total	53	(7)	2	2	-	50
Part 1B	Prior	57	-	3	3	-	64
Private Passenger	1997	-	-	-	-	-	-
Auto Liability/Medical	1998	11	-	-	-	-	11
	1999	-	-	-	-	-	-
	2000	29	-	2	2	-	32
	2001	(0)	114	7	7	-	128
	Total	98	114	12	12	-	236
Part 1C	Prior	18	-	6	1	-	25
Commercial Auto/	1997	-	-	-	-	-	-
Truck Liability/Medical	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	19	-	11	2	-	33
	2001	0	153	57	6	-	216
	Total	37	153	75	9	-	273
Part 1D	Prior	2,881	1,166	150	133	-	4,330
Workers' Compensation	1997	37	4	1	2	-	44
	1998	9	3	1	0	-	13
	1999	44	3	2	2	-	50
	2000	58	3	2	3	-	66
	2001	129	1,171	38	55	-	1,393
	Total	3,158	2,350	193	195	-	5,896
Part 1E	Prior	135	-	30	10	-	174
Commercial	1997	0	-	0	0	-	0
Multiple Peril	1998	-	-	-	-	-	-
	1999	1	-	0	0	-	2
	2000	13	-	3	1	-	17
	2001	0	1,267	295	89	-	1,651
	Total	149	1,267	329	100	-	1,844

NOTES TO FINANCIAL STATEMENTS

Schedule P Category	Loss Year	Case Basis	Bulk & IBNR	Def & Cost Containment	Adjusting & Other Exp	Salvage & Subrogation	Loss & Exp Total Unpaid
Part 1F, Section 1	Prior	-	-	-	-	-	-
Medical Professional	1997	-	-	-	-	-	-
Liability - Occurrence	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Part 1G	Prior	0	-	-	-	-	0
Special Liability	1997	-	-	-	-	-	-
	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
	Total	0	-	-	-	-	0
Part 1H, Section 1	Prior	387	252	185	19	-	843
Other Liability -	1997	-	-	-	-	-	-
Occurrence	1998	3	-	2	0	-	5
	1999	5	-	6	1	-	12
	2000	5	-	9	2	-	16
	2001	12	351	110	12	-	484
	Total	412	603	311	34	-	1,360
Part 1I	Prior	0	-	0	-	-	0
Special Property	1997	-	-	-	-	-	-
	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	(0)	(0)	-	-	(0)
	Total	0	(0)	-	-	-	0
Part 1J	Prior	-	-	-	-	-	-
Auto Physical	1997	-	-	-	-	-	-
Damage	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	0	(1)	(0)	0	-	(1)
	Total	0	(1)	(0)	0	-	(1)
Part 1K	Prior	-	-	-	-	-	-
Fidelity/Surety	1997	-	-	-	-	-	-
	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Part 1N	Prior	64	118	5	-	-	187
Reinsurance	1997	-	-	-	-	-	-
Nonproportional	1998	-	-	-	-	-	-
Assumed Property	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	1	-	-	-	1
	Total	64	119	5	-	-	188
Part 1O	Prior	99	125	7	-	-	230
Reinsurance	1997	31	38	2	-	-	71
Nonproportional	1998	1	47	0	-	-	48
Assumed Liability	1999	19	110	1	-	-	130
	2000	40	74	3	-	-	117
	2001	47	123	3	-	-	173
	Total	236	517	16	-	-	769
Part 1R, Section 1	Prior	126	-	137	14	-	278
Products Liability -	1997	1	-	1	0	-	1
Occurrence	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	2	-	2	0	-	4
	2001	2	60	63	8	-	134
	Total	131	60	203	23	-	417

D. The potential for losses associated with uncollectible receivable balances is not material to the company's financial position. Premium balances over 90 days past due are recorded as nonadmitted assets.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- E. Business Interruption Insurance Recoveries
There were not any business interruption insurance recoveries received during the periods reported.
- F. State Transferable Tax Credits
The company did not have any state transferable tax credits to disclose for the periods reported.
- G. Subprime-Mortgage-Related Risk Exposure
The company did not hold any investments with subprime mortgage related risk exposure during the periods reported.

22. Events Subsequent

There were not any events that occurred subsequent to the closing of the company's financial records that would materially impact the financial information presented.

23. Reinsurance

- A. Unsecured Reinsurance Recoverables
As of December 31, 2011, the company had unsecured aggregate recoverables for losses paid and unpaid (including IBNR), loss adjustment expenses, and unearned premium with a reinsurer that exceeded 3% of the company's surplus. The reinsurer and the associated recoverable balance are listed below.

Company Name	NAIC Number	Federal ID	Amount Recoverable
Motorists Mutual Insurance Company	14621	31-4259550	131,025,761

- B. Reinsurance Recoverable in Dispute
As of December 31, 2011, the company did not have any reinsurance recoverable amounts in dispute from any one reinsurer that exceeded 5% of policyholder surplus.
- C. Reinsurance Assumed and Ceded
- 1) The maximum amount of return commission that would have been due reinsurers if they or the company had cancelled all of the company's reinsurance or if the company or a receiver had cancelled all of the company's assumed contracts as of December 31, 2011, with the return of the unearned premium reserve is illustrated below.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	51,078,651	8,130,676	13,005,395	1,361,967	38,073,256	6,768,709
b. All Other	256,313	14,771	275,619	66,016	(19,306)	(51,246)
c. Total	51,334,964	8,145,447	13,281,013	1,427,984	38,053,951	6,717,463

d. Direct UEP 13,024,700

- 2) The company's contingent commissions associated with existing contractual arrangements are illustrated below.

	(1) Direct	(2) Assumed	(3) Ceded	(4) Net
a. Contingent	941,075	1,951,072	941,075	1,951,072
b. Sliding Scale	-	-	-	-
c. Other Profit	-	-	-	-
d. Total	941,075	1,951,072	941,075	1,951,072

- 3) Information concerning protected cells is not applicable.

- D. Uncollectible Reinsurance
There were not any reinsurance balances written off as uncollectible during the year.
- E. Commutation of Ceded Reinsurance
The company did not commute any ceded reinsurance balances during the year.
- F. Retroactive Reinsurance
The company did not have any retroactive reinsurance contracts in place during the periods reported.
- G. Reinsurance Accounted for as a Deposit
The company did not have any agreements in place that required reinsurance to be accounted for as a deposit during the periods reported.
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements
The company did not enter into any special run-off agreements.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The company did not have any retrospectively rated contracts or contracts subject to redetermination in place during the periods reported.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for the company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect favorable development totaling \$7,060,657. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the auto liability, homeowners, other liability, commercial multiple peril, and auto physical damage lines of business. Savings in these lines overshadowed adverse development in the products liability line of business. The changes reflected in these lines were generally the result of recent development trends. Since the company did not have any retrospectively rated contracts in place during the periods reported, there were not any premium adjustments made as a result of this loss and loss adjustment expense development.

26. Intercompany Pooling Arrangements

Motorists Mutual Insurance Company (NAIC #14621) and its affiliates, Motorists Commercial Mutual Insurance Company (NAIC #13331), Iowa American Insurance Company (NAIC #31577), Iowa Mutual Insurance Company (NAIC #14338), MICO Insurance Company (NAIC #40932), Phenix Mutual Fire Insurance Company (NAIC #23175), and Wilson Mutual Insurance Company (NAIC #19950), participated in an intercompany pooling arrangement covering premiums, losses, and underwriting expenses for all lines during the year. Related finance and service charge income, agent and premium balance charge-offs, deficiency reserves, and policyholder dividends were also subject to the pooling arrangement. The participation percentages for each company were as follows: 70.5% for Motorists Mutual, 18.5% for Motorists Commercial, 1.0% for Iowa American, 3.5% for Iowa Mutual, 0.0% for MICO, 3.5% for Phenix Mutual, and 3.0% for Wilson Mutual.

Each company recognized facultative (quota share and excess) and treaty (excess and catastrophe) reinsurance cessions with unaffiliated reinsurers prior to the administration of the intercompany pooling agreement. As the lead insurer, Motorists Mutual assumed all net premiums, losses, loss adjustment expenses, and underwriting expenses and then ceded each pool participant its share of the pool. Underwriting-related balance sheet items such as premiums receivable, installments, reinsurance assumed premium receivables and loss payables, reinsurance ceded premium payables and loss receivables, general expense receivables and payables, funds held balances, advanced premiums, and outstanding drafts were also pooled.

As of December 31, 2011, the company reported a pooling-related balance of \$169,216 payable to Motorists Mutual Insurance Company.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

The company has purchased annuities for structured settlements under which the claimant is the payee, but for which the company is contingently liable. The total amount of the contingent liability was \$10,461,399 and \$9,612,131 as of December 31, 2011, and 2010, respectively.

	<u>2011</u>	<u>2010</u>
A. Loss Reserves Eliminated by Annuities	6,586,542	6,586,542
Unrecorded Loss Contingencies	10,461,399	9,612,131
B. As of December 31, 2011, there were amounts in excess of 1% of the company's surplus due for annuities from three individual life insurance companies associated with purchased annuities for which the company did not receive a release of liability from the claimant. These life insurance companies and the associated contingent liabilities are listed in the table below		

<u>Life Insurance Company and Location</u>	<u>Licensed in State of Domicile</u>	<u>Amount</u>
American International Life Insurance Company New York, New York	Yes	3,980,638
CIGNA Retirement and Investment Company Hartford, Connecticut	Yes	1,750,770
Genworth Life and Annuity Insurance Company Richmond, Virginia	Yes	2,442,655

28. Health Care Receivables

The company did not have any health care receivables to disclose for the periods reported.

29. Participating Policies

The company did not write policies with participating contracts during the periods reported.

30. Premium Deficiency Reserves

On January 4, 2012, a premium deficiency evaluation was performed for the company. The evaluation, which involved consideration for investment income, supports the \$1,850 premium deficiency reserve reported as of December 31, 2011.

31. High Deductibles

The company did not have any unpaid claims on policies with high deductibles to disclose for the periods reported.

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

The company did not discount loss and loss adjustment expense reserves during the periods reported.

33. Asbestos/Environmental Reserves

- A. The company had exposure to asbestos losses during the periods reported. Direct exposure arose from the sale of general liability and commercial multiple peril business. The company also had exposure through its unaffiliated reinsurance assumed operations and an intercompany pooling arrangement (reference Note 26). The company estimates the impact of its direct exposure by establishing case reserves on all known losses and by computing IBNR losses based on previous experience. The company relies on case and IBNR reserves established by Inpoint Services to measure its exposure from unaffiliated reinsurance assumed operations.

1) Direct basis:	<u>(1)</u> <u>2007</u>	<u>(2)</u> <u>2008</u>	<u>(3)</u> <u>2009</u>	<u>(4)</u> <u>2010</u>	<u>(5)</u> <u>2011</u>
a. Beginning Reserves (incl Case, Bulk & IBNR)	3,385,428	3,208,926	3,138,180	2,744,518	2,504,048
b. Incurred losses and loss adjustment expenses	88,111	247,706	(216,087)	151,503	146,035
c. Calendar year loss and loss adj. expense payments	264,613	318,452	177,575	391,973	466,544
d. Ending Reserves (incl Case, Bulk & IBNR)	3,208,926	3,138,180	2,744,518	2,504,048	2,183,539
2) Assumed reinsurance basis:	<u>(1)</u> <u>2007</u>	<u>(2)</u> <u>2008</u>	<u>(3)</u> <u>2009</u>	<u>(4)</u> <u>2010</u>	<u>(5)</u> <u>2011</u>
a. Beginning Reserves (incl Case, Bulk & IBNR)	995,723	899,269	752,169	764,381	748,099
b. Incurred losses and loss adjustment expenses	(58,338)	(69,682)	46,011	42,404	(229,744)
c. Calendar year loss and loss adj. expense payments	38,116	77,418	33,799	58,686	72,343
d. Ending Reserves (incl Case, Bulk & IBNR)	899,269	752,169	764,381	748,099	446,012
3) Net of ceded reinsurance basis:	<u>(1)</u> <u>2007</u>	<u>(2)</u> <u>2008</u>	<u>(3)</u> <u>2009</u>	<u>(4)</u> <u>2010</u>	<u>(5)</u> <u>2011</u>
a. Beginning Reserves (incl Case, Bulk & IBNR)	3,701,557	3,608,322	3,498,215	3,140,478	2,878,621
b. Incurred losses and loss adjustment expenses	72,295	182,953	(207,440)	146,748	86,923
c. Calendar year loss and loss adj. expense payments	165,530	293,060	150,297	408,605	457,069
d. Ending Reserves (incl Case, Bulk & IBNR)	3,608,322	3,498,215	3,140,478	2,878,621	2,508,475

- B. The amount of ending reserves for bulk and IBNR included in "A" (loss and LAE):

1) Direct Basis	1,809,648
2) Assumed Reinsurance Basis	285,829
3) Net of Ceded Reinsurance Basis	2,083,957

- C. The amount of ending reserves for loss adjustment expenses included in "A" (case, bulk + IBNR):

1) Direct Basis	395,679
2) Assumed Reinsurance Basis	19,158
3) Net of Ceded Reinsurance Basis	409,077

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

D. The company had exposure to environmental losses during the periods reported. Direct exposure arose from the sale of general liability, commercial auto liability, and commercial multiple peril business. The company also had exposure through its unaffiliated reinsurance assumed operations and an intercompany pooling arrangement (reference Note 26). The company estimates the impact of its direct exposure by establishing case reserves on all known losses and by computing IBNR losses based on previous experience. The company relies on case and IBNR reserves established by Inpoint Services to measure its exposure from unaffiliated reinsurance assumed operations.

1) Direct basis:	(1) 2007	(2) 2008	(3) 2009	(4) 2010	(5) 2011
a. Beginning Reserves (incl Case, Bulk & IBNR)	248,566	583,903	663,324	524,309	375,762
b. Incurred losses and loss adjustment expenses	433,206	145,220	(22,506)	14,703	386,833
c. Calendar year loss and loss adj. expense payments	97,869	65,799	116,509	163,250	83,705
d. Ending Reserves (incl Case, Bulk & IBNR)	583,903	663,324	524,309	375,762	678,890
2) Assumed reinsurance basis:	(1) 2007	(2) 2008	(3) 2009	(4) 2010	(5) 2011
a. Beginning Reserves (incl Case, Bulk & IBNR)	157,978	141,973	70,557	71,925	84,684
b. Incurred losses and loss adjustment expenses	(12,820)	(61,415)	3,152	28,847	(3,778)
c. Calendar year loss and loss adj. expense payments	3,185	10,001	1,784	16,088	6,099
d. Ending Reserves (incl Case, Bulk & IBNR)	141,973	70,557	71,925	84,684	74,807
3) Net of ceded reinsurance basis:	(1) 2007	(2) 2008	(3) 2009	(4) 2010	(5) 2011
a. Beginning Reserves (incl Case, Bulk & IBNR)	361,513	681,575	732,656	594,821	457,740
b. Incurred losses and loss adjustment expenses	418,563	126,881	(19,542)	34,391	360,334
c. Calendar year loss and loss adj. expense payments	98,501	75,800	118,293	171,472	89,805
d. Ending Reserves (incl Case, Bulk & IBNR)	681,575	732,656	594,821	457,740	728,269

E. The amount of ending reserves for bulk and IBNR included in "A" (loss and LAE):

1) Direct Basis	469,586
2) Assumed Reinsurance Basis	43,414
3) Net of Ceded Reinsurance Basis	491,737

F. The amount of ending reserves for loss adjustment expenses included in "A" (case, bulk + IBNR):

1) Direct Basis	231,214
2) Assumed Reinsurance Basis	12,718
3) Net of Ceded Reinsurance Basis	233,301

34. **Subscriber Savings Accounts**

Information concerning subscriber savings accounts is not applicable.

35. **Multiple Peril Crop Insurance**

The company did not write multiple peril crop insurance during the periods reported.

36. **Financial Guaranty Insurance**

The company did not write financial guaranty insurance during the periods reported.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☒ No ☐

2.2

If yes, date of change:

04/25/2011

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008

3.2

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

12/31/2008

3.3

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

12/04/2009

3.4

By what department or departments?
Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

If yes,
7.21 State the percentage of foreign control;
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

.....

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 41 South High Street, Columbus, Ohio 43215

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:
.....

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:
.....

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []

10.6

If the response to 10.5 is no or n/a, please explain
.....

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Peter A. Weisenberger, FCAS, Assistant Vice President, Actuarial Services and Appointed Actuary, Motorists Mutual Insurance Company, 471 East Broad Street, Columbus, Ohio 43215

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

12.13

Total book/adjusted carrying value

\$

12.2

If, yes provide explanation:
.....

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []

14.1

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

Yes [X] No []

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:
.....

14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).
.....

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes ☐ No ☒
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes ☒ No ☐
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes ☒ No ☐
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes ☒ No ☐

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes ☐ No ☒
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ☐ No ☒
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ☐ No ☒
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses\$

22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ☒ No ☐
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes ☒ No ☐
- 24.2 If no, give full and complete information relating thereto
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☐ No ☐ N/A ☒
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.\$
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs.\$
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ☐ No ☐ N/A ☒
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☐ No ☐ N/A ☒
- 24.9 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes ☐ No ☐ N/A ☒

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----|------------|
| 25.21 Subject to repurchase agreements | \$ | 0 |
| 25.22 Subject to reverse repurchase agreements | \$ | 0 |
| 25.23 Subject to dollar repurchase agreements | \$ | 0 |
| 25.24 Subject to reverse dollar repurchase agreements | \$ | 0 |
| 25.25 Pledged as collateral | \$ | 0 |
| 25.26 Placed under option agreements | \$ | 0 |
| 25.27 Letter stock or other securities restricted as to sale | \$ | 0 |
| 25.28 On deposit with state or other regulatory body | \$ | 12,880,944 |
| 25.29 Other | \$ | 0 |

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
BNY Mellon	500 Grant Street One Mellon Center, Suite #1035, Pittsburgh, PA 15258

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]
- 28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
110638	Diamond Hill Capital Management	325 John H McConnell Blvd, Suite #200, Columbus, OH 43215 76 Batterson Park Rd, Pondview Corporate Center, Farmington, CT
105900	General Re-New England Asset Management, Inc.	06032
109918	LSV Asset Management	155 North Wacker Dr, Suite #4600, Chicago, IL 60606
105780	Northern Trust Investments, N.A.	50 South La Salle Street, Chicago, IL 60603
109846	HarbourVest Partners, LLC	One Financial Center, Floor #44, Boston, MA 02111
115443	Park Street Capital, L.L.C.	One Federal Street, 24th Floor, Boston, MA 02110
105742	TCW Institutional Client Services Group	865 S Figueroa Street, Los Angeles, California 90017
38642	BNY Mellon Alternative Investment Services	101 Barclay Street, 20th Floor West, New York, NY 10286

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [X] No []

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
04314H-85-7	Artisan Intl Val Fund	7,656,350
29875E-10-0	American EuroPacific Growth Fd	7,273,061
78467Y-10-7	SPDR S&P MidCap 400 ETF Tr	902,713
29.2999 - Total		15,832,124

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Artisan Intl Val Fund	Compass Group PLC	395,986	06/30/2011
Artisan Intl Val Fund	TE Connectivity Ltd	325,395	06/30/2011
Artisan Intl Val Fund	Signet Jewelers Ltd	266,135	06/30/2011
Artisan Intl Val Fund	Arch Capital Group Ltd	260,469	06/30/2011
Artisan Intl Val Fund	Publicis Groupe SA	245,922	06/30/2011
American EuroPacific Growth Fd	Novo Nordisk A/S	186,409	09/30/2011
American EuroPacific Growth Fd	America Movil SAB de C	157,898	09/30/2011
American EuroPacific Growth Fd	Novartis AG	157,171	09/30/2011
American EuroPacific Growth Fd	Samsung Electronics Co.	136,297	09/30/2011
American EuroPacific Growth Fd	Softbank Corp.	122,551	09/30/2011
SPDR S&P MidCap 400 ETF Trust	Dollar Tree Inc.	8,350	11/30/2011
SPDR S&P MidCap 400 ETF Trust	Perrigo Co.	7,628	11/30/2011
SPDR S&P MidCap 400 ETF Trust	Kansas City Southern	6,274	11/30/2011
SPDR S&P MidCap 400 ETF Trust	BorgWarner Inc.	6,066	11/30/2011
SPDR S&P MidCap 400 ETF Trust	Monster Beverage Corp.	5,967	11/30/2011

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	176,561,448	189,706,297	13,144,849
30.2 Preferred stocks			
30.3 Totals	176,561,448	189,706,297	13,144,849

30.4 Describe the sources or methods utilized in determining the fair values:
Fair market values are obtained using an external pricing service, BNY Mellon; using an external investment service, Bloomberg, Inc.; or by contacting individual brokers.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$799,009

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office Inc. ....	.....543,376
.....

34.1 Amount of payments for legal expenses, if any?\$87,808

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Bricker & Eckler LLP .....	.....45,504
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [X] No []

1.2

If yes, indicate premium earned on U. S. business only.

\$ 29,793

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 51,851

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

All years prior to most current three years

1.64

Total premium earned

\$ 29,793

1.65

Total incurred claims

\$ 51,851

1.66

Number of covered lives

10

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

All years prior to most current three years

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

5,588

6,099

2.2

Premium Denominator

120,828,069

126,945,814

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

4,190

6,185

2.5

Reserve Denominator

163,767,023

171,538,401

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [] No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$

3.22

Non-participating policies

\$

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No [X]

4.2

Does the reporting entity issue non-assessable policies?

Yes [X] No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$ 0

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents?

Yes [] No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A []

5.22

As a direct expense of the exchange.....

Yes [] No [] N/A []

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information

16

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The company is a member of the Minnesota Workers' Compensation Reinsurance Association. In addition, the company has excess of loss reinsurance to protect itself.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
Profiling and probable maximum loss (PML) analysis on the exposures of The Motorists Insurance Group is performed by AON Re Services using the Risk Management Solutions (RMS) RiskLink catastrophe model. Analysis is performed for the perils of wind, hail, and earthquake. The PML arises from wind and hail. The major concentration of exposures is in California on a direct basis and in Ohio on a net basis. Catastrophe excess of loss reinsurance is purchased to protect against excessive loss.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The company has catastrophe excess of loss reinsurance to protect itself.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [X] No []

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
.....

7.1

Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?.....

Yes [] No [X]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions:

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

Yes [] No []

8.1

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

Yes [] No [X]

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes [] No [X]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [] No [X]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [] No [X]

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [] No [X]
Yes [] No [X]
Yes [] No [X]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]

11.2 If yes, give full information
.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses\$

12.12 Unpaid underwriting expenses (including loss adjustment expenses)\$

12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds\$

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From %

12.42 To %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]

12.6 If yes, state the amount thereof at December 31 of the current year:

12.61 Letters of credit\$

12.62 Collateral and other funds.....\$

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):\$ 370,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount2

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Premiums are allocated to cedant based on experience weighted earned premiums subject to the contract. Reinsurance recoveries are distributed based on each cedant's share of the aggregate losses subject to the contract.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No []

14.5 If the answer to 14.4 is no, please explain:
.....

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]

15.2 If yes, give full information
.....

16.1 Does the reporting entity write any warranty business? Yes [] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5?

Yes ☒ No ☐

Included but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

\$638,522

17.12

Unfunded portion of Interrogatory 17.11

\$88,600

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$0

17.14

Case reserves portion of Interrogatory 17.11

\$0

17.15

Incurred but not reported portion of Interrogatory 17.11

\$638,522

17.16

Unearned premium portion of Interrogatory 17.11

\$0

17.17

Contingent commission portion of Interrogatory 17.11

\$0

Provide the following information for all other amounts included in Schedule F - P art 3 and excluded from Schedule F - Part 5, not included above.

17.18

Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

\$0

17.19

Unfunded portion of Interrogatory 17.18

\$0

17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

\$0

17.21

Case reserves portion of Interrogatory 17.18

\$0

17.22

Incurred but not reported portion of Interrogatory 17.18

\$0

17.23

Unearned premium portion of Interrogatory 17.18

\$0

17.24

Contingent commission portion of Interrogatory 17.18

\$0

18.1

Do you act as a custodian for health savings accounts?

Yes ☐ No ☒

18.2

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

\$

18.3

Do you act as an administrator for health savings accounts?

Yes ☐ No ☒

18.4

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

\$

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	61,700,980	105,303,392	102,712,387	102,066,481	99,548,540
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	30,973,148	45,458,259	44,859,398	46,619,953	47,235,999
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	41,641,038	58,122,101	58,182,227	50,626,859	50,282,747
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	281,683	610,260	538,443	524,054	495,473
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	2,499,324	2,082,717	1,972,473	1,820,434	2,106,325
6. Total (Line 35)	137,096,173	211,576,730	208,264,928	201,657,781	199,669,084
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	50,829,998	56,925,768	56,235,367	54,167,388	50,225,423
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	25,486,748	28,168,334	28,058,834	27,509,331	27,666,095
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	37,270,403	40,423,599	41,149,800	34,094,622	33,634,945
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	148,536	198,990	183,383	168,905	152,745
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	2,499,324	2,082,717	1,972,473	1,816,964	2,108,894
12. Total (Line 35)	116,235,008	127,799,408	127,599,858	117,757,209	113,788,103
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(13,944,734)	(11,675,244)	(11,174,016)	(8,900,028)	670,098
14. Net investment gain or (loss) (Line 11)	9,093,124	10,537,169	9,242,129	4,214,805	14,808,778
15. Total other income (Line 15)	9,699,295	(2,470,045)	447,607	547,006	794,978
16. Dividends to policyholders (Line 17)	1,641,299	1,696,385	1,042,228	708,138	346,398
17. Federal and foreign income taxes incurred (Line 19)	(65,587)	(3,056,815)	(4,067,305)	40,777	2,858,238
18. Net income (Line 20)	3,271,972	(2,247,689)	1,540,797	(4,887,132)	13,069,218
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	327,103,589	363,732,270	346,809,940	333,588,639	332,854,026
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	8,942,217	9,149,540	9,921,819	10,493,230	8,927,802
20.2 Deferred and not yet due (Line 15.2)	12,094,287	36,707,689	36,560,212	39,675,436	38,668,354
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	205,754,608	239,598,046	230,278,472	231,251,812	203,779,489
22. Losses (Page 3, Line 1)	81,585,105	82,560,831	79,350,837	78,488,202	74,028,974
23. Loss adjustment expenses (Page 3, Line 3)	23,114,960	24,801,154	23,210,602	19,368,679	17,770,339
24. Unearned premiums (Page 3, Line 9)	51,078,651	55,671,712	54,818,118	50,830,920	48,353,453
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	121,348,980	124,134,224	116,531,468	102,336,827	129,074,537
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(7,536,738)	7,289,571	2,482,130	8,356,518	8,800,123
Risk-Based Capital Analysis					
28. Total adjusted capital	122,357,857	125,080,102	117,233,817	102,502,514	130,036,132
29. Authorized control level risk-based capital	16,256,540	16,942,523	15,071,783	13,127,173	12,987,165
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	68.3	64.2	75.1	79.1	78.3
31. Stocks (Lines 2.1 & 2.2)	22.6	23.3	16.0	11.1	13.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	0.8	2.8	2.4	4.2	2.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			XXX	XXX	XXX
37. Other invested assets (Line 8)	8.3	9.1	6.5	5.3	6.7
38. Receivables for securities (Line 9)	0.0	0.6	0.0	0.3	0.0
39. Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	16,120,779	14,945,610	13,375,795	12,980,787	15,283,849
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	16,120,779	14,945,610	13,375,795	12,980,787	15,283,849
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	13.3	12.0	11.5	12.7	11.8

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	(2,461,182)	6,719,791	6,426,352	(6,727,687)	(4,125,290)
51. Dividends to stockholders (Line 35)					
52. Change in surplus as regards policyholders for the year (Line 38)	(2,785,244)	7,602,756	14,194,641	(26,737,709)	9,946,774
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	68,466,491	62,333,965	43,773,350	43,374,851	41,891,893
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	29,556,586	26,952,954	24,652,307	27,110,238	20,737,538
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	40,797,085	37,411,765	37,343,426	32,824,776	30,270,138
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	136,363	207,769	152,144	295,373	323,520
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4,453,534	1,730,371	1,996,301	1,670,555	1,516,585
58. Total (Line 35)	143,410,059	128,636,824	107,917,528	105,275,792	94,739,674
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	28,427,442	29,556,538	25,608,344	23,369,433	22,729,073
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	18,287,682	15,680,468	15,507,874	15,396,056	13,738,061
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	32,091,589	26,669,227	27,994,195	23,705,300	20,508,714
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	62,437	90,006	51,580	131,026	81,430
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,649,380	1,103,147	1,532,278	1,614,750	1,442,701
64. Total (Line 35)	80,518,530	73,099,387	70,694,271	64,216,565	58,499,979
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	65.8	60.1	57.9	59.6	53.8
67. Loss expenses incurred (Line 3)	12.1	13.4	15.3	13.9	12.3
68. Other underwriting expenses incurred (Line 4)	33.6	35.7	35.9	34.3	33.4
69. Net underwriting gain (loss) (Line 8)	(11.5)	(9.2)	(9.0)	(7.7)	0.6
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	26.6	37.4	34.4	33.1	32.6
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	77.9	73.5	73.2	73.5	66.0
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	95.8	103.0	109.5	115.1	88.2
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(5,021)	(2,750)	(1,807)	(3,296)	(4,634)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0).....	(4.0)	(2.4)	(1.8)	(2.6)	(3.9)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(5,692)	(3,745)	(5,222)	(5,910)	(2,994)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	(4.9)	(3.7)	(4.0)	(5.0)	(2.8)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	XXX	XXX	XXX	2,234	1,346	332	28	91	1	24	1,283	XXX
2. 2002.....	94,154	4,153	90,001	56,422	906	3,179	20	6,960	19	2,388	65,616	XXX
3. 2003.....	108,289	4,418	103,870	57,765	1,916	3,376	21	7,522	14	2,558	66,712	XXX
4. 2004.....	120,601	4,484	116,118	61,246	1,975	4,010	213	8,742	16	3,041	71,794	XXX
5. 2005.....	124,530	4,510	120,021	56,708	571	4,032	31	8,826	4	2,580	68,960	XXX
6. 2006.....	124,163	4,807	119,356	60,195	1,152	3,384	36	9,904	2	2,465	72,293	XXX
7. 2007.....	123,942	4,860	119,082	63,919	1,966	3,732	8	9,955	6	3,312	75,627	XXX
8. 2008.....	126,047	5,536	120,512	77,777	9,427	3,690	16	11,080	49	2,797	83,056	XXX
9. 2009.....	128,869	5,256	123,613	67,494	3,264	2,230	102	9,799	33	2,640	76,123	XXX
10. 2010.....	131,846	4,900	126,946	60,747	286	1,060		10,242	1	2,632	71,763	XXX
11. 2011.....	126,205	5,377	120,828	56,655	3,988	278		9,547	42	1,600	62,450	XXX
12. Totals	XXX	XXX	XXX	621,162	26,794	29,302	474	92,668	186	26,037	715,677	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR				Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior.....	7,832	3,478	5,685	512			1,182	36	374	1		11,046	XXX
2. 2002.....	227		384	11			86		24			709	XXX
3. 2003.....	301	0	402				126		41			870	XXX
4. 2004.....	386	0	569				166		46			1,167	XXX
5. 2005.....	809	54	667	2			302		94			1,815	XXX
6. 2006.....	1,097	37	693	0			364		117			2,234	XXX
7. 2007.....	2,194	5	958	2			767		255			4,166	XXX
8. 2008.....	3,577	11	1,727	157			1,747		495			7,378	XXX
9. 2009.....	6,811	12	3,508	98			2,559		924			13,692	XXX
10. 2010.....	10,758	816	7,576	225			3,988		1,558			22,839	XXX
11. 2011.....	17,129	681	15,119	720			4,045		3,893			38,785	XXX
12. Totals.....	51,121	5,095	37,287	1,728			15,330	36	7,822	1		104,700	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	9,526	1,519
2. 2002.....	67,281	956	66,325	71.5	23.0	73.7			18.5	599	110
3. 2003.....	69,533	1,951	67,582	64.2	44.2	65.1			18.5	704	167
4. 2004.....	75,164	2,203	72,961	62.3	49.1	62.8			18.5	955	212
5. 2005.....	71,437	662	70,775	57.4	14.7	59.0			18.5	1,420	395
6. 2006.....	75,754	1,227	74,527	61.0	25.5	62.4			18.5	1,752	481
7. 2007.....	81,780	1,987	79,793	66.0	40.9	67.0			18.5	3,144	1,022
8. 2008.....	100,093	9,660	90,433	79.4	174.5	75.0			18.5	5,136	2,242
9. 2009.....	93,325	3,510	89,815	72.4	66.8	72.7			18.5	10,209	3,483
10. 2010.....	95,929	1,327	94,602	72.8	27.1	74.5			18.5	17,293	5,546
11. 2011.....	106,666	5,431	101,235	84.5	101.0	83.8			18.5	30,847	7,938
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	81,585	23,115

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior.....	35,688	40,571	42,044	43,624	44,310	45,096	45,359	44,962	45,530	45,748	219	786
2. 2002.....	58,340	58,958	59,520	58,577	59,931	59,479	59,239	59,284	59,410	59,360	(50)	77
3. 2003.....	XXX	61,882	61,613	60,658	61,579	60,627	60,424	60,224	60,083	60,033	(50)	(190)
4. 2004.....	XXX	XXX	67,680	66,643	66,107	64,745	64,398	64,554	64,150	64,189	39	(365)
5. 2005.....	XXX	XXX	XXX	65,853	62,851	61,859	62,015	61,945	61,913	61,859	(53)	(86)
6. 2006.....	XXX	XXX	XXX	XXX	68,839	66,828	65,834	65,449	64,852	64,508	(344)	(941)
7. 2007.....	XXX	XXX	XXX	XXX	XXX	73,130	70,886	70,126	69,579	69,589	10	(537)
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	80,681	80,486	79,575	78,907	(668)	(1,579)
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	81,982	81,169	79,125	(2,044)	(2,857)
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	84,882	82,803	(2,079)	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	87,836	XXX	XXX
12. Totals											(5,021)	(5,692)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
1. Prior.....	000	11,744	20,128	25,168	28,171	30,258	31,699	32,656	33,883	35,076	XXX	XXX
2. 2002.....	34,190	45,174	50,667	53,800	56,487	57,540	57,961	58,368	58,610	58,676	XXX	XXX
3. 2003.....	XXX	33,544	45,044	50,831	55,617	57,500	58,563	58,855	59,065	59,204	XXX	XXX
4. 2004.....	XXX	XXX	35,622	49,540	55,302	58,704	60,882	62,233	62,801	63,068	XXX	XXX
5. 2005.....	XXX	XXX	XXX	33,145	45,785	50,707	54,830	57,558	59,159	60,138	XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX	37,181	49,733	55,064	59,111	61,596	62,391	XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX	39,539	52,428	58,911	62,984	65,678	XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	44,419	59,977	67,281	72,025	XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46,414	60,491	66,358	XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	45,914	61,521	XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,944	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Prior.....	15,623	11,426	9,136	8,049	7,644	7,703	7,719	6,989	6,951	6,319
2. 2002.....	11,768	7,149	4,721	2,585	1,854	1,072	710	576	492	458
3. 2003.....	XXX	13,725	8,929	4,538	3,162	1,710	1,093	809	577	528
4. 2004.....	XXX	XXX	15,913	9,644	5,881	3,191	1,860	1,234	718	735
5. 2005.....	XXX	XXX	XXX	18,196	9,890	5,175	2,863	1,859	1,088	967
6. 2006.....	XXX	XXX	XXX	XXX	16,653	9,507	5,229	2,980	1,669	1,056
7. 2007.....	XXX	XXX	XXX	XXX	XXX	18,293	10,479	5,682	3,188	1,722
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	18,418	11,127	5,763	3,317
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,019	11,642	5,969
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,775	11,340
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,443

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama	AL	L			46,106	(28,306)	431,482	0	
2. Alaska	AK	L	169,002	365,423	142,925	52,264	817,939	18	
3. Arizona	AZ	L	(675,939)	481,548	126	2,071,675	1,828,394	197	
4. Arkansas	AR	L							
5. California	CA	L	(2,866,799)	5,901,108		24,370,102	10,485,322	4,341	
6. Colorado	CO	L	(847,732)	997,351	12,983	1,337,127	1,498,740	580	
7. Connecticut	CT	L	(306,482)	335,778	986	588,376	655,563	409	
8. Delaware	DE	L	(91,733)	183,610	5,692	119,059	(14,030)	118	
9. District of Columbia	DC	L							
10. Florida	FL	N			39,768	(84,749)	488,646		
11. Georgia	GA	L			17,636	103,719	189,995	0	
12. Hawaii	HI	N							
13. Idaho	ID	L	(579,829)	504,724	163	731,175	(330,870)	554	
14. Illinois	IL	L	3,450,838	3,061,624	41,043	820,471	1,609,765	1,570	
15. Indiana	IN	L	637,096	548,285	2,791	99,769	295,095	298	
16. Iowa	IA	L	3,912,146	3,938,081		1,191,097	1,293,076	1,609	
17. Kansas	KS	L	2,712	2,226		1,043	1,286	0	
18. Kentucky	KY	L	1,703,936	1,648,009	291	2,540,183	3,387,711	1,620	
19. Louisiana	LA	L	913	888		10,522	(100,699)	0	
20. Maine	ME	L	7,035	14,182		33,031	(70,606)	0	
21. Maryland	MD	L	(104,539)	362,163	97	363,308	453,846	398	
22. Massachusetts	MA	L	3,596,337	3,575,540	144	1,987,964	2,936,689	8,678	
23. Michigan	MI	L	2,782,924	2,611,667	19,801	715,988	1,022,105	1,544	
24. Minnesota	MN	L	2,619,945	2,416,977	32,277	1,866,651	2,199,068	1,704	
25. Mississippi	MS	L	983	994			339	0	
26. Missouri	MO	L	9,773	11,094		19,046	23,840	0	
27. Montana	MT	L	3,221	185,641		874,558	(87,150)	0	
28. Nebraska	NE	L	358,513	213,464	66	385,670	20,281	0	
29. Nevada	NV	L	(503,363)	677,023	6,928	1,024,607	2,298,871	746	
30. New Hampshire	NH	L	1,078,938	1,109,630	34,294	127,160	250,214	1,915	
31. New Jersey	NJ	L	(587,431)	1,976,909	343,380	2,698,456	1,200,793	1,438	
32. New Mexico	NM	L	(9,331)	28,684		176,392	(63,230)	3	
33. New York	NY	L	(114,061)	1,420,332	83,954	973,441	807,035	2,500	
34. North Carolina	NC	L	3,428	9,384		401,037	624,241	0	
35. North Dakota	ND	L	8,404	62,142		894	(10,339)	0	
36. Ohio	OH	L	3,395,841	3,258,376		3,202,604	3,655,620	2,592	
37. Oklahoma	OK	L	2,236	2,236			(28)	0	
38. Oregon	OR	L	(1,641,837)	1,949,017	5,397	2,111,121	(1,329,996)	1,542	
39. Pennsylvania	PA	L	1,278,506	1,185,656		816,687	327,875	783	
40. Rhode Island	RI	L	130,775	107,303		28,420	80,635	305	
41. South Carolina	SC	L	7,194	6,630		2,523	(1,725)	15	
42. South Dakota	SD	L	25,853	25,380		34,849	(50,963)	0	
43. Tennessee	TN	L	59,163	64,052		10,978	14,062	0	
44. Texas	TX	L	720,717	1,405,154		2,536,581	2,399,358	15	
45. Utah	UT	L	(147,660)	316,308		465,734	503,137	50	
46. Vermont	VT	L	276,708	159,286		9,077	38,908	98	
47. Virginia	VA	L	3,763	33,191		119,539	(75,972)	45	
48. Washington	WA	L	(1,110,545)	581,416		854,659	(52,272)	40	
49. West Virginia	WV	L	52,994	103,500		51,265	32,844	35	
50. Wisconsin	WI	L	3,573,062	3,318,856		3,258,653	3,655,637	1,339	
51. Wyoming	WY	L	(3,554)	1,028			59	0	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien	OT	XXX							
59. Totals	(a) 49	20,282,120	45,161,868	590,413	59,277,926	41,455,453	93,055,980	37,099	
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation of premiums by states, etc.

Premiums are assigned to state based on the following methods:

1) the location of the risk for lines 1, 2, 4, 5, 9, 12, 16, 26, and 27

2) the billing address for line 15

3) the location of the insured's operation for lines 17 and 18

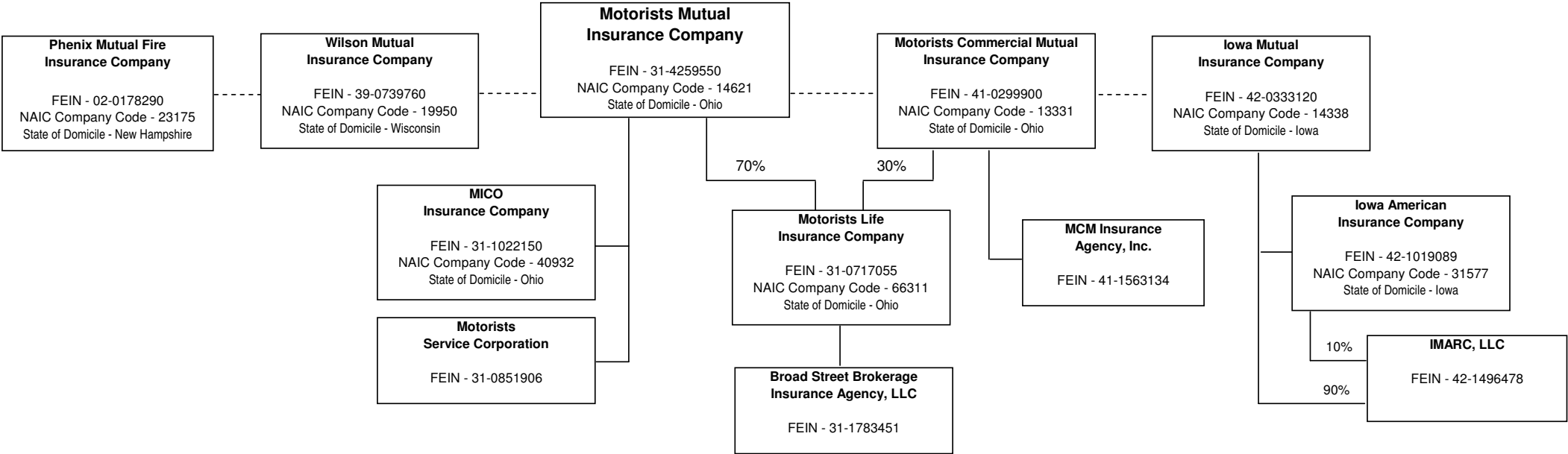
4) the principal garaging location for lines 19 and 21

5) the location of the employer for line 23

6) the location of the obligee for line 24

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

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



ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	Prepaid expenses	75,949	75,949		
2505.	Automobiles	23,310	23,310		
2506.	Assessments paid in advance	9,438	9,438		
2507.	Employee advances	1,230	1,230		
2597.	Summary of remaining write-ins for Line 25 from overflow page	109,927	109,927		

Additional Write-ins for Liabilities Line 25

		1	2
		Current Year	Prior Year
2504.	Obligations in pools and associations	71,648	32,338
2505.	Low income housing obligations	60,941	169,966
2506.	Escheatable funds	20,505	32,308
2507.	State surcharges payable	19,993	100,383
2508.	Miscellaneous liabilities	7,051	
2509.	Premium deficiency reserve	1,850	6,475
2510.	Policy refunds	363	6,735
2511.	Liability from sale of discontinued book of business		2,356,270
2512.	Future rent obligations		516,130
2513.	Medical expenses payable		22,899
2597.	Summary of remaining write-ins for Line 25 from overflow page	182,352	3,243,504

Additional Write-ins for Statement of Income Line 14

		1	2
		Current Year	Prior Year
1404.	Penalties and assessments	(8,747)	11,014
1497.	Summary of remaining write-ins for Line 14 from overflow page	(8,747)	11,014

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

		1	2	3	4
		Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404.	Donations and contributions	43,058	92,169		135,227
2405.	Other unallocated expenses	83,202			83,202
2406.	Temporary labor	17,437	9,258		26,695
2407.	Policy administration / servicing fees		3,971		3,971
2497.	Summary of remaining write-ins for Line 24 from overflow page	143,697	105,397		249,095

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504.	Assessments paid in advance	9,438	6,637	(2,801)
2505.	Employee advances	1,230	4,286	3,056
2506.	Miscellaneous receivables		165	165
2597.	Summary of remaining write-ins for Line 25 from overflow page	10,668	11,087	419

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Assets 2

Cash Flow 5

Exhibit of Capital Gains (Losses) 12

Exhibit of Net Investment Income 12

Exhibit of Nonadmitted Assets 13

Exhibit of Premiums and Losses (State Page) 19

Five-Year Historical Data 17

General Interrogatories 15

Jurat Page 1

Liabilities, Surplus and Other Funds 3

Notes To Financial Statements 14

Overflow Page For Write-ins 98

Schedule A - Part 1 E01

Schedule A - Part 2 E02

Schedule A - Part 3 E03

Schedule A - Verification Between Years SI02

Schedule B - Part 1 E04

Schedule B - Part 2 E05

Schedule B - Part 3 E06

Schedule B - Verification Between Years SI02

Schedule BA - Part 1 E07

Schedule BA - Part 2 E08

Schedule BA - Part 3 E09

Schedule BA - Verification Between Years SI03

Schedule D - Part 1 E10

Schedule D - Part 1A - Section 1 SI05

Schedule D - Part 1A - Section 2 SI08

Schedule D - Part 2 - Section 1 E11

Schedule D - Part 2 - Section 2 E12

Schedule D - Part 3 E13

Schedule D - Part 4 E14

Schedule D - Part 5 E15

Schedule D - Part 6 - Section 1 E16

Schedule D - Part 6 - Section 2 E16

Schedule D - Summary By Country SI04

Schedule D - Verification Between Years SI03

Schedule DA - Part 1 E17

Schedule DA - Verification Between Years SI10

Schedule DB - Part A - Section 1 E18

Schedule DB - Part A - Section 2 E19

Schedule DB - Part A - Verification Between Years SI11

Schedule DB - Part B - Section 1 E20

Schedule DB - Part B - Section 2 E21

Schedule DB - Part B - Verification Between Years SI11

Schedule DB - Part C - Section 1 SI12

Schedule DB - Part C - Section 2 SI13

Schedule DB - Part D E22

Schedule DB - Verification SI14

Schedule DL - Part 1 E23

Schedule DL - Part 2 E24

Schedule E - Part 1 - Cash E25

Schedule E - Part 2 - Cash Equivalents E26

Schedule E - Part 3 - Special Deposits E27

Schedule E - Verification Between Years SI15

Schedule F - Part 1 20

Schedule F - Part 2 21

Schedule F - Part 3 22

Schedule F - Part 4 23

Schedule F - Part 5 24

Schedule F - Part 6 25

Schedule F - Part 7 26

Schedule F - Part 8 27

ANNUAL STATEMENT BLANK (Continued)

Schedule H - Accident and Health Exhibit - Part 1	28
Schedule H - Part 2, Part 3 and 4	29
Schedule H - Part 5 - Health Claims	30
Schedule P - Part 1 - Summary	31
Schedule P - Part 1A - Homeowners/Farmowners	33
Schedule P - Part 1B - Private Passenger Auto Liability/Medical	34
Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical	35
Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation)	36
Schedule P - Part 1E - Commercial Multiple Peril	37
Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence	38
Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made	39
Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery)	40
Schedule P - Part 1H - Section 1 - Other Liability-Occurrence	41
Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made	42
Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	43
Schedule P - Part 1J - Auto Physical Damage	44
Schedule P - Part 1K - Fidelity/Surety	45
Schedule P - Part 1L - Other (Including Credit, Accident and Health)	46
Schedule P - Part 1M - International	47
Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property	48
Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability	49
Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines	50
Schedule P - Part 1R - Section 1 - Products Liability - Occurrence	51
Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made	52
Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty	53
Schedule P - Part 1T - Warranty	54
Schedule P - Part 2, Part 3 and Part 4 - Summary	32
Schedule P - Part 2A - Homeowners/Farmowners	55
Schedule P - Part 2B - Private Passenger Auto Liability/Medical	55
Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical	55
Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation)	55
Schedule P - Part 2E - Commercial Multiple Peril	55
Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence	56
Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made	56
Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	56
Schedule P - Part 2H - Section 1 - Other Liability - Occurrence	56
Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made	56
Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	57
Schedule P - Part 2J - Auto Physical Damage	57
Schedule P - Part 2K - Fidelity, Surety	57
Schedule P - Part 2L - Other (Including Credit, Accident and Health)	57
Schedule P - Part 2M - International	57
Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property	58
Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability	58
Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines	58
Schedule P - Part 2R - Section 1 - Products Liability - Occurrence	59
Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made	59
Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty	59
Schedule P - Part 2T - Warranty	59
Schedule P - Part 3A - Homeowners/Farmowners	60
Schedule P - Part 3B - Private Passenger Auto Liability/Medical	60
Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical	60
Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation)	60
Schedule P - Part 3E - Commercial Multiple Peril	60
Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence	61
Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made	61
Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	61
Schedule P - Part 3H - Section 1 - Other Liability - Occurrence	61
Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made	61
Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	62
Schedule P - Part 3J - Auto Physical Damage	62
Schedule P - Part 3K - Fidelity/Surety	62
Schedule P - Part 3L - Other (Including Credit, Accident and Health)	62
Schedule P - Part 3M - International	62
Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property	63
Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability	63
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines	63
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence	64
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made	64
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty	64
Schedule P - Part 3T - Warranty	64

ANNUAL STATEMENT BLANK (Continued)

Schedule P - Part 4A - Homeowners/Farmowners	65
Schedule P - Part 4B - Private Passenger Auto Liability/Medical	65
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical	65
Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation)	65
Schedule P - Part 4E - Commercial Multiple Peril	65
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence	66
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made	66
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	66
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence	66
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made	66
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	67
Schedule P - Part 4J - Auto Physical Damage	67
Schedule P - Part 4K - Fidelity/Surety	67
Schedule P - Part 4L - Other (Including Credit, Accident and Health)	67
Schedule P - Part 4M - International	67
Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property	68
Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability	68
Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines	68
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence	69
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made	69
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty	69
Schedule P - Part 4T - Warranty	69
Schedule P - Part 5A - Homeowners/Farmowners	70
Schedule P - Part 5B - Private Passenger Auto Liability/Medical	71
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical	72
Schedule P - Part 5D - Workers' Compensation (Excluding Excess Workers' Compensation)	73
Schedule P - Part 5E - Commercial Multiple Peril	74
Schedule P - Part 5F - Medical Professional Liability - Claims-Made	76
Schedule P - Part 5F - Medical Professional Liability - Occurrence	75
Schedule P - Part 5H - Other Liability - Claims-Made	78
Schedule P - Part 5H - Other Liability - Occurrence	77
Schedule P - Part 5R - Products Liability - Claims-Made	80
Schedule P - Part 5R - Products Liability - Occurrence	79
Schedule P - Part 5T - Warranty	81
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical	82
Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation)	82
Schedule P - Part 6E - Commercial Multiple Peril	83
Schedule P - Part 6H - Other Liability - Claims-Made	84
Schedule P - Part 6H - Other Liability - Occurrence	83
Schedule P - Part 6M - International	84
Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property	85
Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability	85
Schedule P - Part 6R - Products Liability - Claims-Made	86
Schedule P - Part 6R - Products Liability - Occurrence	86
Schedule P - Part 7A - Primary Loss Sensitive Contracts	87
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts	89
Schedule P Interrogatories	91
Schedule T - Exhibit of Premiums Written	92
Schedule T - Part 2 - Interstate Compact	93
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	94
Schedule Y - Part 1A - Detail of Insurance Holding Company System	95
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	96
Statement of Income	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	97
Underwriting and Investment Exhibit Part 1	6
Underwriting and Investment Exhibit Part 1A	7
Underwriting and Investment Exhibit Part 1B	8
Underwriting and Investment Exhibit Part 2	9
Underwriting and Investment Exhibit Part 2A	10
Underwriting and Investment Exhibit Part 3	11