



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

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

Motorists Mutual Insurance Company

NAIC Group Code02910291NAIC Company Code14621Employer's ID Number31-4259550  
(Current)(Prior)

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

Incorporated/Organized11/08/1928Commenced Business11/27/1928

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  
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OFFICERS

Chairman, President & CEOJohn Jacob BishopTreasurerMichael Lee Wiseman

SecretarySusan Elizabeth HaackExecutive Vice President & COODavid Lynn Kaufman

OTHER

Grady Brendan Campbell Senior VP, Marketing Services & Personal LinesCharles Robert Gaskill Senior VP, General CounselCharles Donovan Stapleton Senior VP, Commercial Lines & Affiliate Operations

Charles Arthur Wickert Senior VP, Corporate Services

DIRECTORS OR TRUSTEES

John Jacob BishopLarry Lee ForresterArchie Mason Griffin

Susan Elizabeth HaackSandra Werth HarbrechtDavid Lynn Kaufman

Robert Lee McCrackenThomas Charles OggRobert Charles Smith

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 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) .....	628,188,886		628,188,886	668,373,067
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	185,490,834	2,840	185,487,994	188,060,109
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	622,249		622,249	641,208
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	25,783,877		25,783,877	25,472,793
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	715,732		715,732	733,662
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	122,718		122,718	135,344
5. Cash (\$ ..... (12,198,892) , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....19,025,077 , Schedule DA) .....	6,826,185		6,826,185	2,147,003
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	103,374,355	517,332	102,857,023	104,036,419
9. Receivable for securities .....	17,841		17,841	2,971
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) .....	951,142,676	520,172	950,622,504	989,602,576
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	7,131,584		7,131,584	7,272,319
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	19,794,701	1,583	19,793,118	24,791,272
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....32,400 earned but unbilled premiums) .....	85,200,970	640,726	84,560,244	86,885,021
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	16,314,819		16,314,819	17,945,498
16.2 Funds held by or deposited with reinsured companies .....	70,874,056		70,874,056	88,535,955
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 ....	1,427,479		1,427,479	
18.2 Net deferred tax asset .....	41,710,170		41,710,170	33,971,829
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	6,024,894	3,352,324	2,672,571	4,350,719
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	3,149,482	3,149,482		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	1,510,591		1,510,591	3,226,291
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	72,740,795	40,922,791	31,818,004	36,259,078
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,277,022,219	48,587,078	1,228,435,140	1,292,840,558
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27)	1,277,022,219	48,587,078	1,228,435,140	1,292,840,558
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. ICOLI cash surrender value .....	28,899,220		28,899,220	32,514,557
2502. Pooled general expenses receivable .....	2,617,807		2,617,807	3,437,464
2503. Equities and deposits in pools and associations .....	300,978		300,978	307,057
2598. Summary of remaining write-ins for Line 25 from overflow page .....	40,922,791	40,922,791		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	72,740,795	40,922,791	31,818,004	36,259,078

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

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	310,905,401	314,623,708
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	14,587,043	17,665,615
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	88,086,740	94,512,507
4. Commissions payable, contingent commissions and other similar charges .....	12,450,915	15,157,921
5. Other expenses (excluding taxes, licenses and fees) .....	4,042,480	4,579,796
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	4,835,559	5,006,391
7.1 Current federal and foreign income taxes (including \$ .....2,703,770 on realized capital gains (losses)) .....		303,417
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 \$ .....82,469,945 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) .....	194,651,076	212,154,362
10. Advance premium .....	3,302,381	3,524,710
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....	5,291,441	4,733,497
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	17,641,724	15,408,542
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....	45,632,973	52,600,348
14. Amounts withheld or retained by company for account of others .....	15,486,692	14,217,240
15. Remittances and items not allocated .....	1,285,734	1,093,606
16. Provision for reinsurance (Schedule F, Part 7) .....	161,183	35,599
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	1,140,555	1,571,987
20. Derivatives .....		
21. Payable for securities .....	660,586	66,908
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 .....	47,425,626	32,262,149
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	767,588,107	789,518,304
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	767,588,107	789,518,304
29. Aggregate write-ins for special surplus funds .....	8,748,842	18,243,714
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) .....	452,098,191	485,078,540
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) .....	460,847,033	503,322,254
38. TOTALS (Page 2, Line 28, Col. 3) .....	1,228,435,140	1,292,840,558
DETAILS OF WRITE-INS		
2501. Pension plan obligations .....	41,824,400	23,068,858
2502. Pooled general expenses payable .....	4,166,259	6,305,663
2503. State surcharges payable .....	575,960	646,465
2598. Summary of remaining write-ins for Line 25 from overflow page .....	859,008	2,241,163
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	47,425,626	32,262,149
2901. Surplus from SSAP No. 10R .....	8,748,842	18,243,714
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) .....	8,748,842	18,243,714
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 MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	460,452,913	483,766,480
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	303,122,577	290,800,617
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	55,757,365	64,608,005
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	154,250,258	172,373,858
5. Aggregate write-ins for underwriting deductions	(17,625)	(4,935)
6. Total underwriting deductions (Lines 2 through 5)	513,112,576	527,777,545
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(52,659,663)	(44,011,065)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	25,867,850	27,410,770
10. Net realized capital gains or (losses) less capital gains tax of \$ 3,587,828 (Exhibit of Capital Gains (Losses) )	10,378,968	12,472,668
11. Net investment gain (loss) (Lines 9 + 10)	36,246,817	39,883,437
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 74,549 amount charged off \$ 942,146 )	(867,596)	(1,073,577)
13. Finance and service charges not included in premiums	2,334,527	2,573,064
14. Aggregate write-ins for miscellaneous income	(3,917,186)	2,509,417
15. Total other income (Lines 12 through 14)	(2,450,255)	4,008,904
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(18,863,101)	(118,723)
17. Dividends to policyholders	6,254,682	6,464,602
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)	(25,117,783)	(6,583,325)
19. Federal and foreign income taxes incurred	(4,287,664)	(7,307,537)
20. Net income (Line 18 minus Line 19)(to Line 22)	(20,830,119)	724,212
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	503,322,254	487,488,338
22. Net income (from Line 20)	(20,830,119)	724,212
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (146,338)	(6,462,061)	19,734,137
25. Change in net unrealized foreign exchange capital gain (loss)	(176,348)	(195,556)
26. Change in net deferred income tax	1,027,406	59,114
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	5,808,450	(15,565,783)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(125,584)	350,933
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	(21,716,964)	10,726,859
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(42,475,220)	15,833,916
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	460,847,033	503,322,254
DETAILS OF WRITE-INS		
0501. Change in premium deficiency reserve	(17,625)	(4,935)
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)	(17,625)	(4,935)
1401. Miscellaneous service fees	22,513	17,197
1402. Gain / (loss) on equipment disposals	19,551	(10,205)
1403. Penalties and assessments	4,583	(4,575)
1498. Summary of remaining write-ins for Line 14 from overflow page	(3,963,833)	2,507,000
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(3,917,186)	2,509,417
3701. Change in surplus from SSAP No. 10R	(9,494,872)	9,664,634
3702. Net change in pension plan obligations	(12,222,092)	1,062,225
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	(21,716,964)	10,726,859

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

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	465,793,826	479,966,891
2. Net investment income .....	31,102,130	32,540,817
3. Miscellaneous income .....	(2,450,255)	4,008,904
4. Total (Lines 1 through 3) .....	494,445,700	516,516,612
5. Benefit and loss related payments .....	311,031,594	279,861,373
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	221,338,166	229,603,894
8. Dividends paid to policyholders .....	5,696,738	4,997,617
9. Federal and foreign income taxes paid (recovered) net of \$ .....6,929,815 tax on capital gains (losses) .....	1,031,060	(10,264,537)
10. Total (Lines 5 through 9) .....	539,097,558	504,198,347
11. Net cash from operations (Line 4 minus Line 10) .....	(44,651,858)	12,318,265
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	315,615,227	446,890,599
12.2 Stocks .....	40,107,040	78,661,103
12.3 Mortgage loans .....	18,960	9,824
12.4 Real estate .....	135,344	759,565
12.5 Other invested assets .....	1,663,968	930,563
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(51)	(386,171)
12.7 Miscellaneous proceeds .....	195,396	277,925
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	357,735,885	527,143,407
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	269,790,957	418,134,498
13.2 Stocks .....	36,710,690	68,450,592
13.3 Mortgage loans .....		
13.4 Real estate .....	1,685,117	11,217,334
13.5 Other invested assets .....	4,426,118	13,043,763
13.6 Miscellaneous applications .....	(593,677)	110,736
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	312,019,205	510,956,923
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) .....	45,716,679	16,186,484
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) .....	3,614,360	(35,732,807)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	3,614,360	(35,732,807)
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) .....	4,679,182	(7,228,058)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	2,147,003	9,375,060
19.2 End of period (Line 18 plus Line 19.1) .....	6,826,185	2,147,003

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

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS 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 .....	6,389,131	3,207,477	3,182,923	6,413,685
2.	Allied lines .....	5,024,456	2,529,241	2,635,421	4,918,276
3.	Farmowners multiple peril .....	4,513,055	1,994,601	2,042,832	4,464,825
4.	Homeowners multiple peril .....	93,411,141	50,637,583	49,725,848	94,322,876
5.	Commercial multiple peril .....	43,149,580	26,427,883	23,148,289	46,429,174
6.	Mortgage guaranty .....				
8.	Ocean marine .....	219,757	117,384	113,408	223,733
9.	Inland marine .....	11,384,499	6,217,947	5,827,644	11,774,802
10.	Financial guaranty .....				
11.1	Medical professional liability - occurrence .....				
11.2	Medical professional liability - claims-made .....				
12.	Earthquake .....	1,304,872	771,370	695,346	1,380,897
13.	Group accident and health .....				
14.	Credit accident and health (group and individual) .....				
15.	Other accident and health .....	19,334	4,534	2,573	21,295
16.	Workers' compensation .....	38,652,467	18,486,270	18,460,550	38,678,187
17.1	Other liability - occurrence .....	40,397,596	22,286,774	19,904,662	42,779,708
17.2	Other liability - claims-made .....	396,540			396,540
17.3	Excess workers' compensation .....				
18.1	Products liability - occurrence .....	3,147,874	1,610,689	1,430,788	3,327,774
18.2	Products liability - claims-made .....				
19.1, 19.2	Private passenger auto liability .....	72,356,210	22,164,676	21,485,352	73,035,535
19.3, 19.4	Commercial auto liability .....	38,752,820	26,073,376	19,507,172	45,319,024
21.	Auto physical damage .....	72,555,991	28,187,735	25,275,485	75,468,241
22.	Aircraft (all perils) .....				
23.	Fidelity .....	472,493	220,534	225,297	467,729
24.	Surety .....	74,214	131,866	21,871	184,209
26.	Burglary and theft .....	466,228	419,770	252,176	633,821
27.	Boiler and machinery .....	736,920	469,128	457,738	748,310
28.	Credit .....				
29.	International .....				
30.	Warranty .....				
31.	Reinsurance - nonproportional assumed property .....	6,638,397	115,274	157,159	6,596,512
32.	Reinsurance - nonproportional assumed liability .....	2,886,054	80,251	98,542	2,867,762
33.	Reinsurance - nonproportional assumed financial lines .....				
34.	Aggregate write-ins for other lines of business .....				
35.	TOTALS	442,949,627	212,154,362	194,651,076	460,452,913
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 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 .....	3,182,923				3,182,923
2.	Allied lines .....	2,635,421				2,635,421
3.	Farmowners multiple peril .....	2,042,832				2,042,832
4.	Homeowners multiple peril .....	49,725,848				49,725,848
5.	Commercial multiple peril .....	23,148,289				23,148,289
6.	Mortgage guaranty .....					
8.	Ocean marine .....	113,408				113,408
9.	Inland marine .....	5,827,644				5,827,644
10.	Financial guaranty .....					
11.1	Medical professional liability - occurrence .....					
11.2	Medical professional liability - claims-made .....					
12.	Earthquake .....	695,346				695,346
13.	Group accident and health .....					
14.	Credit accident and health (group and individual) .....					
15.	Other accident and health .....	2,573				2,573
16.	Workers' compensation .....	18,460,550				18,460,550
17.1	Other liability - occurrence .....	19,904,662				19,904,662
17.2	Other liability - claims-made .....					
17.3	Excess workers' compensation .....					
18.1	Products liability - occurrence .....	1,430,788				1,430,788
18.2	Products liability - claims-made .....					
19.1, 19.2	Private passenger auto liability .....	21,485,352				21,485,352
19.3, 19.4	Commercial auto liability .....	19,507,172				19,507,172
21.	Auto physical damage .....	25,275,485				25,275,485
22.	Aircraft (all perils) .....					
23.	Fidelity .....	225,297				225,297
24.	Surety .....	21,871				21,871
26.	Burglary and theft .....	252,176				252,176
27.	Boiler and machinery .....	457,738				457,738
28.	Credit .....					
29.	International .....					
30.	Warranty .....					
31.	Reinsurance - nonproportional assumed property .....	157,159				157,159
32.	Reinsurance - nonproportional assumed liability .....	98,542				98,542
33.	Reinsurance - nonproportional assumed financial lines .....					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	194,651,076				194,651,076
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Line 35 through 37)					194,651,076
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 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 .....	3,555,537	4,895,732	849,773	2,673,466	238,445	6,389,131
2. Allied lines .....	2,149,671	4,740,621	379,889	2,102,432	143,294	5,024,456
3. Farmowners multiple peril .....		6,004,756	396,741	1,888,442		4,513,055
4. Homeowners multiple peril .....	86,171,063	46,529,515	5,114,311	39,086,931	5,316,816	93,411,141
5. Commercial multiple peril .....	35,476,265	27,515,051	2,029,039	18,055,498	3,815,277	43,149,580
6. Mortgage guaranty .....						
8. Ocean marine .....	328,325			91,955	16,614	219,757
9. Inland marine .....	9,880,297	7,124,535	92,773	4,763,726	949,380	11,384,499
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....	1,883,113	115,343		546,010	147,574	1,304,872
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....		27,424		8,090		19,334
16. Workers' compensation .....	18,313,603	37,816,252	101,921	16,173,727	1,405,582	38,652,467
17.1 Other liability - occurrence .....	41,613,799	17,064,947	1,052	16,903,959	1,378,244	40,397,596
17.2 Other liability - claims-made .....			562,468	165,928		396,540
17.3 Excess workers' compensation .....						
18.1 Products liability - occurrence .....	2,829,092	1,642,812		1,317,195	6,835	3,147,874
18.2 Products liability - claims-made .....						
19.1, 19.2 Private passenger auto liability .....	76,738,979	26,106,308		30,276,712	212,364	72,356,210
19.3, 19.4 Commercial auto liability .....	40,618,779	14,449,458	21,800	16,215,719	121,498	38,752,820
21. Auto physical damage .....	77,441,534	27,194,190	276	30,360,308	1,719,702	72,555,991
22. Aircraft (all perils) .....						
23. Fidelity .....	635,691	36,008		197,710	1,496	472,493
24. Surety .....		105,268		31,054		74,214
26. Burglary and theft .....	229,353	432,235	264	195,088	536	466,228
27. Boiler and machinery .....	2,135,706	346,055		308,357	1,436,484	736,920
28. Credit .....						
29. International .....						
30. Warranty .....						
31. Reinsurance - nonproportional assumed property .....	XXX		9,416,166	2,777,769		6,638,397
32. Reinsurance - nonproportional assumed liability .....	XXX		4,093,693	1,207,640		2,886,054
33. Reinsurance - nonproportional assumed financial lines .....	XXX					
34. Aggregate write-ins for other lines of business .....						
35. TOTALS	400,000,807	222,146,509	23,060,167	185,347,716	16,910,140	442,949,627
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 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 .....	1,755,559	2,984,954	1,398,451	3,342,062	1,020,673	784,000	3,578,735	55.8
2.	Allied lines .....	2,317,217	6,857,643	2,707,606	6,467,254	941,623	868,951	6,539,927	133.0
3.	Farmowners multiple peril .....		4,281,677	1,263,095	3,018,582	347,599	816,007	2,550,174	57.1
4.	Homeowners multiple peril .....	75,110,550	51,194,681	43,802,075	82,503,156	23,784,947	23,680,277	82,607,826	87.6
5.	Commercial multiple peril .....	22,557,400	31,121,038	17,001,062	36,677,375	24,414,168	26,289,010	34,802,533	75.0
6.	Mortgage guaranty .....								
8.	Ocean marine .....	118,003	2,935	36,663	84,275	18,752	19,423	83,604	37.4
9.	Inland marine .....	4,032,203	3,095,987	2,135,009	4,993,180	1,030,435	1,225,317	4,798,299	40.8
10.	Financial guaranty .....								
11.1	Medical professional liability - occurrence .....		1	0	0		183	( 183)	
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	17,611	42,086	13,395	19,035	36,446	171.2
16.	Workers' compensation .....	11,608,910	19,181,433	9,401,683	21,388,659	60,651,037	58,533,902	23,505,794	60.8
17.1	Other liability - occurrence .....	16,302,577	8,616,630	7,453,632	17,465,575	49,033,795	49,756,988	16,742,382	39.1
17.2	Other liability - claims-made .....		161,565	47,662	113,903			113,903	28.7
17.3	Excess workers' compensation .....								
18.1	Products liability - occurrence .....	757,189	1,197,538	576,645	1,378,083	6,376,336	5,139,613	2,614,806	78.6
18.2	Products liability - claims-made .....								
19.1, 19.2	Private passenger auto liability .....	43,980,137	15,966,916	19,020,602	40,926,451	55,352,973	59,279,365	37,000,058	50.7
19.3, 19.4	Commercial auto liability .....	18,933,339	19,434,835	11,309,241	27,058,933	61,588,654	62,449,138	26,198,448	57.8
21.	Auto physical damage .....	56,974,380	26,036,198	28,275,783	54,734,794	4,108,294	4,505,905	54,337,183	72.0
22.	Aircraft (all perils) .....								
23.	Fidelity .....	263,573	(6,981)	75,695	180,897	80,793	203,837	57,853	12.4
24.	Surety .....		21,210	6,257	14,953	122,687	64,860	72,780	39.5
26.	Burglary and theft .....	15,076	202,803	64,274	153,604	197,831	317,293	34,142	5.4
27.	Boiler and machinery .....	867,384	10,181	865,981	11,585	52,875	63,098	1,362	0.2
28.	Credit .....								
29.	International .....								
30.	Warranty .....								
31.	Reinsurance - nonproportional assumed property .....	XXX	6,056,916	1,786,790	4,270,125	6,876,061	6,462,850	4,683,337	71.0
32.	Reinsurance - nonproportional assumed liability .....	XXX	2,858,652	843,302	2,015,350	14,892,474	14,144,658	2,763,167	96.4
33.	Reinsurance - nonproportional assumed financial lines .....	XXX							
34.	Aggregate write-ins for other lines of business .....								
35.	TOTALS	255,593,497	199,336,507	148,089,120	306,840,884	310,905,401	314,623,708	303,122,577	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 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 .....	91,862	1,016,293	326,906	781,249	107,000	232,608	100,184	1,020,673	87,905
2.	Allied lines .....	184,529	915,280	324,452	775,357	306,000	70,839	210,572	941,623	124,045
3.	Farmowners multiple peril .....		316,477	93,361	223,116		176,570	52,088	347,599	41,658
4.	Homeowners multiple peril .....	13,592,127	12,857,049	7,997,863	18,451,313	6,863,032	2,025,406	3,554,804	23,784,947	4,882,287
5.	Commercial multiple peril .....	10,502,261	13,041,838	8,356,904	15,187,195	3,061,933	10,533,972	4,368,932	24,414,168	5,914,539
6.	Mortgage guaranty .....									
8.	Ocean marine .....	6,161	2,587	2,686	6,062	18,000		5,310	18,752	7,981
9.	Inland marine .....	527,114	656,435	367,069	816,481	200,000	103,482	89,527	1,030,435	166,648
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	5,605	(a) 13,395	
16.	Workers' compensation .....	9,508,910	33,992,893	13,513,501	29,988,302	15,327,497	28,219,744	12,884,506	60,651,037	10,185,913
17.1	Other liability - occurrence .....	29,157,186	8,615,559	14,127,025	23,645,719	26,620,618	9,825,837	11,058,379	49,033,795	26,605,035
17.2	Other liability - claims-made .....									
17.3	Excess workers' compensation .....									
18.1	Products liability - occurrence .....	1,926,000	2,602,406	1,335,880	3,192,526	2,082,128	2,462,914	1,361,232	6,376,336	5,218,630
18.2	Products liability - claims-made .....									
19.1, 19.2	Private passenger auto liability .....	44,132,498	14,103,956	20,434,976	37,801,477	20,126,366	4,769,373	7,344,243	55,352,973	12,168,669
19.3, 19.4	Commercial auto liability .....	22,774,443	24,056,751	13,969,610	32,861,584	19,563,114	21,572,502	12,408,547	61,588,654	20,947,951
21.	Auto physical damage .....	3,297,518	1,422,337	1,428,099	3,291,755	1,334,000	24,210	541,672	4,108,294	1,081,102
22.	Aircraft (all perils) .....									
23.	Fidelity .....	89,600		26,432	63,168	24,000	1,000	7,375	80,793	22,610
24.	Surety .....		134,024	39,537	94,487		40,000	11,800	122,687	12,260
26.	Burglary and theft .....	19,615	94,996	33,810	80,801	5,000	161,000	48,970	197,831	29,485
27.	Boiler and machinery .....	199,033	7,500	153,658	52,875				52,875	9,783
28.	Credit .....									
29.	International .....									
30.	Warranty .....									
31.	Reinsurance - nonproportional assumed property .....	XXX	5,276,377	1,556,531	3,719,846	XXX	4,476,902	1,320,686	6,876,061	273,764
32.	Reinsurance - nonproportional assumed liability .....	XXX	6,188,762	1,825,685	4,363,077	XXX	14,935,315	4,405,918	14,892,474	306,474
33.	Reinsurance - nonproportional assumed financial lines .....	XXX				XXX				
34.	Aggregate write-ins for other lines of business .....									
35.	TOTALS	136,008,856	125,301,519	85,913,984	175,396,391	95,638,688	99,650,674	59,780,352	310,905,401	88,086,740
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.

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 .....	12,005,038			12,005,038
1.2 Reinsurance assumed .....	14,639,788			14,639,788
1.3 Reinsurance ceded .....	8,071,648			8,071,648
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	18,573,178			18,573,178
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		63,197,381		63,197,381
2.2 Reinsurance assumed, excluding contingent .....		40,927,764		40,927,764
2.3 Reinsurance ceded, excluding contingent .....		30,830,465		30,830,465
2.4 Contingent - direct .....		5,234,697		5,234,697
2.5 Contingent - reinsurance assumed .....		5,358,876		5,358,876
2.6 Contingent - reinsurance ceded .....		3,125,104		3,125,104
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) .....		80,763,150		80,763,150
3. Allowances to managers and agents .....		3,391		3,391
4. Advertising .....		1,878,334		1,878,334
5. Boards, bureaus and associations .....	228,623	2,097,939		2,326,563
6. Surveys and underwriting reports .....		5,814,114		5,814,114
7. Audit of assureds' records .....		75,609		75,609
8. Salary and related items:				
8.1 Salaries .....	18,349,596	25,565,161	467,223	44,381,980
8.2 Payroll taxes .....	1,357,658	1,976,580	31,522	3,365,760
9. Employee relations and welfare .....	6,014,035	9,064,238	182,964	15,261,236
10. Insurance .....	200,754	273,374	4,156	478,284
11. Directors' fees .....	191,198	401,787	5,035	598,019
12. Travel and travel items .....	1,193,942	1,429,080	14,211	2,637,232
13. Rent and rent items .....	1,766,211	2,852,779	42,711	4,661,701
14. Equipment .....	2,233,841	3,604,478	71,404	5,909,724
15. Cost or depreciation of EDP equipment and software .....	1,270,196	1,716,076	36,867	3,023,139
16. Printing and stationery .....	260,493	564,944	12,788	838,225
17. Postage, telephone and telegraph, exchange and express .....	1,232,582	3,170,733	46,812	4,450,127
18. Legal and auditing .....	117,190	187,838	1,266,994	1,572,021
19. Totals (Lines 3 to 18) .....	34,416,319	60,676,455	2,182,686	97,275,460
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....13,349 .....		8,508,614		8,508,614
20.2 Insurance department licenses and fees .....		528,118		528,118
20.3 Gross guaranty association assessments .....		(156,273)		(156,273)
20.4 All other (excluding federal and foreign income and real estate) .....		230,355		230,355
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		9,110,814		9,110,814
21. Real estate expenses .....			5,952,518	5,952,518
22. Real estate taxes .....			808,193	808,193
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	2,767,868	3,699,839	81,066	6,548,773
25. Total expenses incurred .....	55,757,365	154,250,258	9,024,462	(a) 219,032,086
26. Less unpaid expenses - current year .....	88,086,740	20,009,940	1,319,014	109,415,693
27. Add unpaid expenses - prior year .....	94,512,507	23,544,441	1,199,667	119,256,615
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)	62,183,133	157,784,760	8,905,115	228,873,008
DETAILS OF WRITE-INS				
2401. Consulting fees .....	1,492,691	2,347,646	48,940	3,889,277
2402. Data services .....	727,574	395,705	16,845	1,140,125
2403. Reinsurance assumed overhead .....		554,838		554,838
2498. Summary of remaining write-ins for Line 24 from overflow page .....	547,603	401,650	15,281	964,533
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	2,767,868	3,699,839	81,066	6,548,773

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

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a) 7,591,579	6,684,727
1.1	Bonds exempt from U.S. tax .....	(a) 6,316,980	6,022,751
1.2	Other bonds (unaffiliated) .....	(a) 10,367,367	11,431,228
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	2,770,129	2,855,054
2.21	Common stocks of affiliates .....	1,598,357	1,509,966
3.	Mortgage loans .....	(c) 31,682	31,682
4.	Real estate .....	(d) 7,067,403	7,067,403
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e) 19,036	18,987
7.	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	474,391	474,391
9.	Aggregate write-ins for investment income .....	65,322	65,322
10.	Total gross investment income .....	36,302,246	36,161,511
11.	Investment expenses .....	.....	(g) 8,216,269
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) 808,193
13.	Interest expense .....	.....	(h) .....
14.	Depreciation on real estate and other invested assets .....	.....	(i) 1,269,199
15.	Aggregate write-ins for deductions from investment income .....	.....	.....
16.	Total deductions (Lines 11 through 15) .....	.....	10,293,661
17.	Net investment income (Line 10 minus Line 16) .....	.....	25,867,850
DETAILS OF WRITE-INS			
0901.	Security lending income .....	63,639	63,639
0902.	Sweep investment income .....	965	965
0903.	Miscellaneous income .....	719	719
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	65,322	65,322
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 \$ 277,667 accrual of discount less \$ 3,982,666 amortization of premium and less \$ 1,699,135 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 \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.

(d) Includes \$ 4,655,008 for company's occupancy of its own buildings; and excludes \$ 0 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 \$ 1,269,199 depreciation on real estate and \$ 0 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 .....	4,981,427	.....	4,981,427	1,942,826	.....
1.1	Bonds exempt from U.S. tax .....	150,898	.....	150,898	.....	.....
1.2	Other bonds (unaffiliated) .....	2,243,239	(12,647)	2,230,592	39,344	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	7,736,626	(734,247)	7,002,379	(7,741,355)	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	1,560,500	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	(45)	.....	(45)	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	(51)	(51)	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	(602,821)	(5,860)	(608,681)	(2,409,715)	(176,348)
9.	Aggregate write-ins for capital gains (losses) .....	210,276	.....	210,276	.....	.....
10.	Total capital gains (losses) .....	14,719,600	(752,805)	13,966,796	(6,608,399)	(176,348)
DETAILS OF WRITE-INS						
0901.	Litigation proceeds .....	210,266	.....	210,266	.....	.....
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) .....	210,276	.....	210,276	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE  MOTORISTS 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 .....	2,840	5,551	2,711
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) .....	517,332		(517,332)
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) .....	520,172	5,551	(514,621)
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 .....	1,583	38,287	36,704
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	640,726	690,476	49,750
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 .....		31,147	31,147
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	3,352,324	3,410,044	57,721
21. Furniture and equipment, including health care delivery assets .....	3,149,482	3,512,758	363,276
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 .....	40,922,791	37,212,392	(3,710,399)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	48,587,078	44,900,656	(3,686,422)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27) .....	48,587,078	44,900,656	(3,686,422)
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 .....	35,952,810	32,954,307	(2,998,503)
2502. Automobiles .....	3,451,049	3,253,897	(197,153)
2503. Prepaid post retirement health care .....	783,191	256,277	(526,914)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	735,740	747,911	12,171
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	40,922,791	37,212,392	(3,710,399)

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

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**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's mortgage loans reflect the outstanding balances of the original loans, which were established using market assessments and information provided by the U.S. Department of Housing and Urban Development.
- 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 70% of the common stock of Motorists Life Insurance Company, a life insurer; 100% of the common stock of MICO Insurance Company, a property/casualty insurer; and 100% of the common stock of Motorists Service Corporation, a staffing company. Motorists Life Insurance Company and MICO Insurance Company are valued on an equity basis as described in Part 5, Section 2ciB1 of the *Securities Valuation Handbook*. Motorists Service Corporation 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**

The company did not discontinue any of its operations during the periods reported.

**5. Investments**

**A. The company did not have any mezzanine real estate loans during the periods reported. As of December 31, 2011, the company held two residential mortgage loans. Pertinent details are provided below.**

- 1) Each loan has a stated interest rate of 5.0%.
- 2) The company did not reduce the interest rates on its outstanding mortgage loans during 2011.
- 3) The maximum percentage of any one loan to the value of security at the time of the loan was 100%.
- 4 - 12) As of December 31, 2011, each loan was in "good-standing." All loan repayments were received in accordance with the terms of the associated mortgage contracts.

**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.

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

NOTES TO FINANCIAL STATEMENTS

2) The company held other-than-temporary impaired loan-backed securities as listed below.

	(1)	(2)	(3)
	Amortized Cost Basis Before Other- than- Temporary Impairment	Other-than- Temporary Impairment Recognized in Loss	Fair Value (1 minus 2)
a. Intent to Sell	-	-	-
b. Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
c. Total 1st Quarter	-	-	-

d. Intent to Sell	-	-	-
e. Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
f. Total 2nd Quarter	-	-	-

g. Intent to Sell	-	-	-
h. Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
i. Total 3rd Quarter	-	-	-

j. Intent to Sell	-	-	-
k. Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	667,104	12,647	654,457
l. Total 4th Quarter	667,104	12,647	654,457

m. Annual Aggregate Total 12,647

3) The company recognized current year other-than-temporary impairments as listed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than- Temporary Impairment	Amortized Cost After Other-Than- Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
126380AB0	667,104	654,457	12,647	654,457	597,810	December-11
Total	XXX	XXX	12,647	XXX	XXX	XXX

4) The financial impact of the company's impaired securities (fair value is less than cost or amortized cost) for which other-than temporary impairments have not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains) is listed below.

Loss Position Less than 12 months		Loss Position 12 Months or Longer	
Unrealized Loss	Fair Value	Unrealized Loss	Fair Value
54,708	2,532,900	1,365,456	10,651,337

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. Real Estate

- 1) The company did not recognize any impairment losses for investments in real estate during the periods reported.
- 2) In 2011, the company purchased one residential home in conjunction with an associate employment contract and sold one home that had been purchased in 2009 under similar circumstances. The proceeds from the sale were equal to the cost of the investment. Thus, gains or losses were not recorded. At December 31, 2011, the company owned one property that was purchased in 2011 in conjunction with an associate employment contract. The property is actively marketed for sale by a real estate broker. It was valued net of anticipated disposal costs at year end.
- 3) The company did not experience any changes to its plans of sale for its real estate investments during the periods reported.
- 4) The company did not engage in retail land sales operations during the periods reported.
- 5) The company did have not any real estate investments with participating mortgage loan features during the periods reported.

G. The company invested in a low income housing tax credit (LIHTC) fund during 2011.

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

NOTES TO FINANCIAL STATEMENTS

- 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	72,723,608	3,391,477	76,115,085	53,672,708	4,390,515	58,063,223	19,050,900	(999,038)	18,051,862
b Statutory Valuation Allowance Adjustment	22,032,752	-	22,032,752	10,929,886	-	10,929,886	11,102,866	-	11,102,866
c Adjusted Gross Deferred Tax Assets(1a-1b)	50,690,856	3,391,477	54,082,333	42,742,822	4,390,515	47,133,337	7,948,034	(999,038)	6,948,996
d Deferred Tax Liabilities	1,653,901	10,718,262	12,372,163	1,352,543	11,777,818	13,130,361	301,358	(1,059,556)	(758,198)
e Subtotal Net Deferred Tax Assets(Liabilities) (1c-1d)	49,036,955	(7,326,785)	41,710,170	41,390,279	(7,387,303)	34,002,976	7,646,676	60,518	7,707,194
f Deferred Tax Assets Nonadmitted	-	-	-	31,147	-	31,147	(31,147)	-	(31,147)
g Net Admitted Deferred Tax Assets(Liabilities) (1e-1f)	49,036,955	(7,326,785)	41,710,170	41,359,132	(7,387,303)	33,971,829	7,677,823	60,518	7,738,341
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	-	-	-	-	-	-	-	-	-
b SSAP NO. 10R, Paragraph 10b (the lesser of 10.b.1 and 10.b.ii below)	31,887,872	1,073,456	32,961,328	25,444,802	1,317,154	26,761,956	6,443,070	(243,698)	6,199,372
c SSAP No. 10R, Paragraph 10.b.i	31,887,872	1,073,456	32,961,328	25,444,802	1,317,154	26,761,956	6,443,070	(243,698)	6,199,372
d SSAP NO. 10R, Paragraph 10.b.ii	37,234,808	1,073,456	38,308,264	41,728,369	1,317,154	43,045,523	(4,493,561)	(243,698)	(4,737,259)
e SSAP No. 10R, Paragraph 10.c	10,054,142	2,318,021	12,372,163	1,352,543	743,977	2,096,520	8,701,599	1,574,044	10,275,643
f Total (4a+4b+4e)	41,942,014	3,391,477	45,333,491	26,797,345	2,061,131	28,858,476	15,144,669	1,330,346	16,475,015
Admission Calculation Components									
SSAP No. 10R, Paragraph 10e									
g SSAP No. 10R, Paragraph 10.e.i	-	-	-	-	-	-	-	-	-
h SSAP NO. 10R, Paragraph 10.e.ii (the lesser of 10.e.ii.a and 10.e.ii.b below)	8,748,842	-	8,748,842	15,609,405	2,634,309	18,243,714	(6,860,563)	(2,634,309)	(9,494,872)
i SSAP No. 10R, Paragraph 10.e.ii.a	8,748,842	-	8,748,842	15,609,405	2,634,309	18,243,714	(6,860,563)	(2,634,309)	(9,494,872)
j SSAP NO. 10R, Paragraph 10.e.ii.b	19,154,131	-	19,154,131	18,888,453	2,634,309	21,522,762	265,678	(2,634,309)	(2,368,631)
k SSAP No. 10R, Paragraph 10.e.iii	-	-	-	304,925	(304,925)	-	(304,925)	304,925	-
l Total (4g+4h+4k)	8,748,842	-	8,748,842	15,914,330	2,329,384	18,243,714	(7,165,488)	(2,329,384)	(9,494,872)
Used in SSAP No. 10R, Paragraph 10d									
m Total adjusted capital	xxx	xxx	463,201,079	xxx	xxx	505,529,303	xxx	xxx	(42,328,223)
n Authorized control level	xxx	xxx	58,896,887	xxx	xxx	59,943,280	xxx	xxx	(1,046,393)
5	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Impact of Tax Planning Strategies									
a Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	41.5%	0.0%	41.5%	66.3%	0.0%	66.3%	-24.8%	0.0%	-24.8%
b Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	53.8%	0.0%	53.8%	91.9%	0.0%	91.9%	-38.1%	0.0%	-38.1%
6	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP NO. 10R, Paragraphs 10a,10b and 10c									
a Admitted Deferred Tax Assets	40,288,113	(7,326,785)	32,961,328	25,444,802	(9,716,687)	15,728,115	14,843,311	2,389,902	17,233,213
b Admitted Assets	xxx	xxx	1,219,686,298	xxx	xxx	1,274,596,844	xxx	xxx	(54,910,546)
c Adjusted Statutory Surplus *	xxx	xxx	383,082,917	xxx	xxx	430,892,065	xxx	xxx	(47,809,149)
d Total Adjusted Capital from DTAs	xxx	xxx	454,452,237	xxx	xxx	487,285,589	xxx	xxx	(32,833,352)
Increase due to SSAP No. 10R, Paragraph 10e									
e Admitted Deferred Tax Assets	8,748,842	-	8,748,842	15,914,330	2,329,384	18,243,714	(7,165,488)	(2,329,384)	(9,494,872)
f Admitted Assets	8,748,842	-	8,748,842	15,914,330	2,329,384	18,243,714	(7,165,488)	(2,329,384)	(9,494,872)
g Statutory Surplus	8,748,842	-	8,748,842	15,914,330	2,329,384	18,243,714	(7,165,488)	(2,329,384)	(9,494,872)

\* 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

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

1 Current Income Tax	12/31/2011	12/31/2010	Change
Federal	(4,287,664)	(7,307,537)	3,019,873
Foreign	-	-	-
Subtotal	(4,287,664)	(7,307,537)	3,019,873
Federal income tax on net capital gains	3,587,828	5,702,340	(2,114,512)
Utilization of capital loss carry-forwards	-	-	-
Other	-	-	-
Federal and foreign income taxes incurred	(699,836)	(1,605,197)	905,361

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



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

NOTES TO FINANCIAL STATEMENTS

2	Deferred tax assets:	12/31/2011	12/31/2010	Change
a	Ordinary			
	Discounting of unpaid losses	15,863,832	16,707,344	(843,512)
	Unearned premium reserve	13,856,742	15,097,535	(1,240,793)
	Compensation and benefit accruals	4,710,629	4,420,645	289,984
	Investments	-	169,241	(169,241)
	Minimum Pension Liability	14,638,540	8,105,090	6,533,450
	Fixed Assets	1,166,048	1,482,879	(316,831)
	Foreign tax, LIHC and AMT credit carry-forward	4,800,641	4,537,860	262,781
	Net operating loss carry-forward	13,476,787	1,499,113	11,977,674
	Policyholders dividends accruals	1,852,004	-	1,852,004
	Nonadmitted Assets	663,383	503,435	159,948
	Lease early termination	-	-	-
	Other	1,695,002	1,149,566	545,436
99	Subtotal	72,723,608	53,672,708	19,050,900
b	Statutory Valuation Allowance adjustment	22,032,752	10,929,886	11,102,866
c	Nonadmitted	-	31,147	(31,147)
d	Admitted ordinary deferred tax assets (2a99-2b-2c)	50,690,856	42,711,675	7,979,181
e	Capital			
	Investments	3,391,477	4,390,515	(999,038)
	Partnerships	-	-	-
99	Subtotal	3,391,477	4,390,515	(999,038)
f	Statutory Valuation Allowance adjustment	-	-	-
g	Nonadmitted	-	-	-
h	Admitted capital deferred tax assets (2e99-2f-2g)	3,391,477	4,390,515	(999,038)
i	Admitted deferred tax assets (2d + 2h)	54,082,333	47,102,190	6,980,143
3	Deferred Tax Liabilities:			
a	Ordinary			
	Investments	252,272	119,147	133,125
	Fixed Assets	1,401,629	1,233,396	168,233
	Prepaid pension	-	-	-
	Other	-	-	-
99	Subtotal	1,653,901	1,352,543	301,358
b	Capital			
	Investments	10,718,262	11,777,818	(1,059,556)
	Deferred tax liabilities (3a99+3b99)	12,372,163	13,130,361	(758,198)
	Net deferred tax assets/liabilities	41,710,170	33,971,829	7,738,341
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:			
		12/31/2011	12/31/2010	
	Current income taxes incurred	(699,836)	(1,605,197)	
	Change in deferred income tax (without tax on unrealized gains/losses and min. pension liability)	(114,188)	(1,969,536)	
	Total income tax reported	(814,024)	(3,574,733)	
	Income before taxes	(21,529,955)	(881,000)	
	Expected income tax expense (benefit) at 35% statutory rate	(7,535,484)	(308,350)	
	Increase (decrease) in actual tax resulting from:			
	a) Tax exempt interest net of proration	(1,789,241)	(2,368,722)	
	b) Dividends received deduction net of proration	(1,091,355)	(988,596)	
	c) Change in deferred tax benefit on nonadmitted assets	1,400,222	(8,885,803)	
	d) AMT, low income housing and foreign tax credits	(262,781)	(2,715,438)	
	e) Affiliated dividends due	(528,488)	(559,425)	
	f) Recognized partnership income	(1,848,896)	2,378,253	
	g) Prior year fair plan	-	-	
	h) Rate Differential	-	-	
	i) Treasury Inflation Protection securities	679,989	157,849	
	j) ICOLI	(1,265,368)	(880,095)	
	k) Change in Valuation Allowance	11,102,866	10,929,886	
	l) Other	324,512	(334,293)	
	Total income tax reported	(814,024)	(3,574,733)	
E.	1)	As of December 31, 2011, Motorists Mutual Insurance Company had \$38,505,105 of operating loss carry forwards. The company had \$2,215,890 of AMT credit carry forwards that originated in 2005 and 2010; they will not expire. The company had \$2,484,742 of low income housing credit carry overs that originated in 2008, 2009, and 2010; they will be available through 2028, 2029, and 2030. The company also had \$90,009 of foreign tax credits that originated in 2009, 2010, and 2011; they will be available through 2019, 2020, and 2021.		
	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)	-	
		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:		
		MICO Insurance Company		
		Motorists Service Corporation		
	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.		

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

NOTES TO FINANCIAL STATEMENTS

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 \$370,036 and \$1,654,303, 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 contingency exposure to the company or any related parties during the periods reported.
- F. During the periods reported, the company had management agreements with Motorists Commercial Mutual Insurance Company, an Ohio-based affiliate; Iowa Mutual Insurance Company, an Iowa-based affiliate; Phenix Mutual Fire Insurance Company, a New Hampshire-based affiliate; and Wilson Mutual Insurance Company, a Wisconsin-based affiliate, whereby the company provided management services to these affiliates. The company had a separate agreement with Motorists Service Corporation (MSC), a wholly owned subsidiary of Motorists, whereby MSC delivered staffing services to the company. The company also had an arrangement with its subsidiaries and affiliates whereby costs for common facilities and support services were shared.
- G. The company is a mutual property/casualty insurer that controls its operations. As the lead company of The Motorists Insurance Group, Motorists Mutual Insurance Company also controls its affiliated companies' operations through interlocking boards 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. Federal Home Loan Bank (FHLB) Agreements
- 1) The company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati, Ohio. Through its membership, the company has access to cash advances in the amount of \$20,000,000. It is the company's intent to use these funds solely as a back-up source of liquidity.
  - 2) As part of the agreement, the company purchased 19,393 shares of stock with a book value of \$1,939,300.
  - 3) As part of the agreement, the company pledged collateral in the form of U.S. Treasury Notes. As of December 31, 2011, the par and book values of the securities were \$21,200,000 and \$24,435,035, respectively.
  - 4) As mentioned above, the company's total FHLB borrowing capacity is currently \$20,000,000.
  - 5) All FHLB funding agreement assets and liabilities are classified within the general account.

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

- A. The company sponsored a defined benefit pension plan covering substantially all associates during the periods reported. Effective December 31, 2011 the American Hardware Mutual Insurance Company Provident Plus (AHMIC Plan) defined benefit pension plan was merged with the defined benefit pension plan sponsored by the company. All assets and liabilities of the AHMIC Plan were transferred to the company sponsored plan, and participants previously eligible under the AHMIC Plan became immediately eligible under the company sponsored plan. The company also sponsored a plan providing health benefits to substantially all active and retired associates. Summary information on these plans is provided below.

The company had a non-qualified excess benefit plan for certain officers of the company due to IRS limitations on the amount of standard retirement benefits. The company also had a non-qualified early retirement supplement plan for certain officers. Reserves for these benefits are reflected in the accompanying statements.

A summary of assets, obligations and assumptions of the defined benefit pension and health care plans as of December 31, 2011, and 2010, is provided below.

1) Change in projected benefit obligation:	\$ Pension Benefits		\$ Other Benefits	
	2010	2011	2010	2011
a. Benefit obligation at beginning of year	153,627,758	174,269,996	11,607,300	12,472,732
b. Service cost	4,515,159	4,664,567	140,489	60,770
c. Interest cost	9,239,992	9,442,130	675,487	663,731
d. Contribution by plan participants	-	-	442,949	463,178
e. Actuarial (gain) loss	13,447,740	17,256,651	603,059	1,492,474
f. Foreign currency exchange rate changes	-	-	-	-
g. Benefits paid	(6,560,653)	(7,491,154)	(1,148,763)	(1,420,853)
h. Plan amendments	-	121,749	-	-
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	63,235,305	-	(465,166)
j. Medicare Part D subsidy receipts	-	-	152,211	47,246
k. Benefit obligation at end of year	174,269,996	261,499,244	12,472,732	13,314,112
2) Change in plan assets:				
a. Fair value of plan assets at beginning of year	113,743,580	133,908,871	9,948,665	11,276,202
b. Actual return on plan assets	16,725,944	1,630,559	1,327,536	170,615
c. Foreign currency exchange rate changes	-	-	-	-
d. Employer contribution	10,000,000	10,000,000	553,604	452,586
e. Plan participants' contributions	-	-	442,949	463,178
f. Benefits paid	(6,560,653)	(7,491,154)	(1,148,763)	(963,010)
g. Business combinations, divestitures and settlements	-	49,240,788	-	-
h. Benefits paid from trust	-	-	-	(457,843)
i. Medicare Part D subsidy receipts	-	-	152,211	47,246
j. Fair value of plan assets at end of year	133,908,871	187,289,064	11,276,202	10,988,974

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

NOTES TO FINANCIAL STATEMENTS

3) Funded status:	\$ Pension Benefits		\$ Other Benefits			
	2010	2011	2010	2011		
a. Funded status	(40,361,125)	(74,210,180)	(1,196,530)	(2,325,138)		
b. Unamortized prior service cost	(46,943)	121,749	-	(414,742)		
c. Unrecognized net (gain) or loss	73,275,724	127,241,436	1,363,415	3,523,071		
d. Remaining net obligation or net (asset) at initial date of application	86,658	77,993	100,850	-		
e. Prepaid assets or (accrued liabilities)	32,954,314	53,014,096	267,735	783,191		
f. Intangible asset	86,658	199,742	267,735			
4) Accumulated benefit obligation for vested associates and partially vested associates to the extent vested:						
	2010	2011				
	156,977,729	242,397,889				
5) Benefit obligation for non-vested associates:						
a. Projected benefit obligation	1,642,851	2,377,442	6,620,029	8,775,561		
b. Accumulated benefit obligation	1,168,526	1,726,865	N/A	N/A		
6) Components of net periodic benefit cost:						
a. Service cost	4,515,159	4,664,567	140,489	60,770		
b. Interest cost	9,239,992	9,442,130	675,487	663,731		
c. Expected return on plan assets	(11,279,660)	(11,844,527)	(785,448)	(891,680)		
d. Amortization of unrecognized transition obligation or transition (asset)	8,665	8,665	50,426	50,426		
e. Amount of recognized (gains) and losses	3,027,123	4,777,605	24,299	53,883		
f. Amount of prior service cost recognized	(43,943)	(46,943)	-	-		
g. Amount of (gain) or loss recognized due to settlement or curtailment	-	-	-	-		
h. Total net periodic benefit cost	5,467,336	7,001,497	105,253	(62,870)		
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 \$41,824,400 and \$23,068,858, respectively. In addition, a December 31, 2011 minimum liability balance of \$13,285,063 related to the AHMIC Plan merger is reported on Motorists Commercial Mutual Insurance Company's financial statement.						
8) Weighted average assumptions as of December 31:						
	2010	2011	2010	2011		
a. Discount rate	5.50%	5.03%	5.50%	5.03%		
b. Rate of compensation increase	3.50%	3.25%	N/A	N/A		
c. Expected long-term rate of return on plan assets	8.25%	8.00%	8.25%	8.00%		
9) A measurement date of December 31, 2011, was used to determine the above disclosures.						
10) For measurement purposes, the assumed annual rate of increase in the per capita cost of covered health care benefits for 2011 was 10% for retirees under age 65, and 8% for retirees 65 and older; the 2010 rate of increase was 9%. The rate was assumed to decrease 1% per year to 5%, and remain at that level thereafter.						
11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:						
	1 Percentage Point Increase		1 Percentage Point Decrease			
	2010	2011	2010	2011		
a. Effect on total of service and interest cost components	77,105	71,229	(67,618)	(61,555)		
b. Effect on postretirement benefit obligation	1,288,031	1,444,408	(1,144,327)	(1,249,467)		
12) Plan assets:						
a. The asset allocation for the plans as of December 31, by asset category, is as follows:						
	Percent of Plan Assets					
	Pension Benefits			Other Benefits		
	2010	2011	Target	2010	2011	Target
Equity securities	60%	61%	59-69%	80%	61%	59-69%
Debt securities	40%	39%	26-36%	20%	39%	26-36%
Real estate	0%	0%	0%	0%	0%	0%
Other	0%	0%	0-10%	0%	0%	0-10%
Total	100%	100%	100%	100%	100%	100%
b. Investment policy and strategy, as established by the Retirement Plan Committee, is to invest assets per the target allocations. Assets will be reallocated periodically to meet the target allocations. The investment policy is reviewed periodically, under the advisement of a certified investment advisor, to determine if the policy should be changed. Allowable assets include, but are not limited to: cash equivalents, fixed income securities, equity securities, exchange traded index funds and GICs.						
c. In establishing the long-term rate of return assumption on plan assets, management, along with the consulting actuaries, reviews the historical performance of plan assets and target categories. Consideration is given to the expected real rates of return on applicable asset classes, weighted based on the median of the target allocation for each class.						
13) Estimated future pension benefit payments, which reflect expected future service, are provided below for the next ten fiscal years. Other health care benefits are shown gross and net of expected subsidy receipts associated with the Medicare Prescription Drug, Modernization and Improvement Act of 2003.						
	Pension Benefits	Other Benefits				
		Gross	Subsidy	Net		
2012	11,795,900	1,188,480	207,071	981,409		
2013	12,624,462	1,269,743	229,756	1,039,987		
2014	13,508,453	1,354,785	250,093	1,104,692		
2015	14,254,552	1,440,909	268,865	1,172,044		
2016	15,077,071	1,527,340	285,561	1,241,779		
2017 to 2021	86,433,195	8,570,450	1,732,229	6,838,221		
14) The company intends to make \$13,000,000 of contributions to the pension plan in 2012. The company intends to make \$981,409 of contributions to the other post-retirement plan in 2012.						
15) As of December 31, 2011, none of the company's securities or those of related parties were included in the plan assets. The company or related parties did not issue insurance contracts covering plan participant benefits, and there were not any significant transactions between the company or						

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

NOTES TO FINANCIAL STATEMENTS

- related parties and the plan during the period.
- 16) The company did not use an alternate amortization method to amortize prior service amounts or unrecognized net gains and losses.
- 17) The company did not use any substantive commitments as a basis for accounting for the benefit obligations.
- 18) The company did not recognize any special or contractual termination benefits during the period.
- 19) All significant changes in the company's benefit obligation and plan assets have been presented in the preceding sections of this disclosure.
- B. The company sponsored a defined contribution savings plan for the benefit of substantially all associates during the periods reported. The company contributed up to a maximum of 3% of each associate's compensation. Company contributions to the plan were \$1,228,025 and \$1,213,083 for 2011 and 2010, respectively.
- C. The company did not participate in any multi-employer plans during the periods reported.
- D. The company's subsidiaries and affiliates participated in defined benefit plans sponsored by the company during the years reported. The company allocated amounts to the subsidiaries and affiliates based on a cost sharing arrangement.
- E. The company's financial records include adequate accruals for all post-employment benefit obligations and compensated absences.
- F. Impact of Medicare Modernization Act on Postretirement Benefits
- The company first measured the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, on postretirement benefits as of January 1, 2004. The results of that measurement were included in the company's 2004 financial records. The Act resulted in statutory expense reductions of \$373,909 and \$371,943 in 2011 and 2010, respectively.

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

- 1) Information concerning capital stock is not applicable. The company is a mutual property/casualty insurer.
- 2) Information concerning preferred stock is not applicable. The company is a mutual property/casualty insurer.
- 3) Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- 4) Information concerning stock dividend payments is not applicable. The company is a mutual property/casualty insurer.
- 5) Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- 6) There were not any restrictions on the company's surplus during the periods reported.
- 7) There were not any advances to surplus to disclose for the periods reported.
- 8) The company did not hold any stock for special purposes during the periods reported.
- 9) 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.
- 10) As of December 31, 2011, the portion of unassigned funds (surplus) represented by cumulative unrealized gains (net of deferred FIT) was \$39,565,726.
- 11) The company did not have any surplus debentures or similar obligations to disclose for the periods reported.
- 12) Information concerning quasi-reorganization is not applicable.
- 13) Information concerning quasi-reorganization is not applicable.

14. Contingencies

- A. Contingent Commitments
- 1) At December 31, 2011, the company had outstanding commitments associated with joint venture interests totaling \$19,372,484. The company also had contingent commitments that arose from the guarantee of certain insurance agency loans. The contingency for agent loan guarantees was \$5,643,660 as of December 31, 2011.
- 2) The aforementioned commitments are not reflected as liabilities in the accompanying financial statement. The figures presented represent 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
Commercial bank loan guarantee for five agencies with various terms, extending to 2028	-	Increase in miscellaneous expense	5,643,660	All loans are current in payments of principal and interest. The likelihood of the company having to make any payments is remote.
HarbourVest Partners, LLC	-	Increase in other invested assets	17,984,984	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	-	Increase in other invested assets	1,387,500	All current capital calls have been funded.
Total	-		25,016,144	

- 3) The undiscounted amount of the company's maximum potential future payments related to its aggregate commitments is \$25,016,144. 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 a \$19,372,484 increase in the value of its other invested assets (Page 2, line 8) and the recognition of \$5,643,660 of miscellaneous expense (Page 4, line 14).
- 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 \$(42,898) and \$(374,112) for the years ended December 31, 2011, and 2010, respectively. The company's net accrued liabilities for guaranty funds were \$471,533 and \$584,907 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.
- 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 \$200,000 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.

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

NOTES TO FINANCIAL STATEMENTS

15. Leases

A. Leasing Arrangements

- 1) The company leases computer-related equipment under various operating lease arrangements and has entered into various agreements for information technology-related services through 2016. The expenses for these commitments for 2011 and 2010 were \$9,379,843 and \$3,917,242, respectively.
- 2) As of December 31, 2011, the company had aggregate commitments of \$23,018,606. Commitments for the next five years are as follows:

Fiscal Year	Commitment
2012	11,344,508
2013	5,311,613
2014	2,875,355
2015	2,058,519
2016	1,428,611

- 3) The company was not involved in sale-leaseback transactions during the periods reported.

- B. The company leased office space in its home office building 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			
	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	85,516	-	85,516	-
Hybrid Securities	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	85,516	-	85,516	-
Common Stock				
Industrial and Misc	134,041,471	130,050,095	-	3,991,376
Parents, Subsidiaries and Affiliates	51,449,362	-	-	51,449,362
Total Common Stocks	185,490,834	130,050,095	-	55,440,739
Other invested assets	81,803,718	-	-	81,803,718
Total assets at fair value	267,380,068	130,050,095	85,516	137,244,457

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

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

NOTES TO FINANCIAL STATEMENTS

	Preferred	Fixed	Common	Other	
	Stock	Maturities	Stock	Invested	Total
	Assets				
Beginning balance, January 1, 2011	-	-	53,634,975	81,769,698	135,404,672
Total gains or losses included in Net Income (realized)	-	-	-	-	-
Total gains or losses included in Surplus (unrealized)	-	-	1,805,864	(2,586,063)	(780,199)
Purchases	-	-	-	3,928,554	3,928,554
Issuances	-	-	-	-	-
Sales	-	-	(100)	(1,308,470)	(1,308,570)
Settlements	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Ending balance, December 31, 2011	-	-	55,440,739	81,803,718	137,244,457

- 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	12	-	0	1	-	12
Homeowners/	1997	3	-	0	0	-	3
Farmowners	1998	-	-	-	-	-	-
	1999	11	-	0	0	-	12
	2000	9	-	0	0	-	10
	2001	167	(26)	5	6	-	152
	Total	202	(26)	6	7	-	190
Part 1B	Prior	219	-	13	13	-	245
Private Passenger	1997	-	-	-	-	-	-
Auto Liability/Medical	1998	43	-	-	-	-	43
	1999	-	-	-	-	-	-
	2000	111	-	6	6	-	124
	2001	(0)	433	27	27	-	487
	Total	373	433	46	46	-	898
Part 1C	Prior	67	-	25	3	-	94
Commercial Auto/	1997	-	-	-	-	-	-
Truck Liability/Medical	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	74	-	43	7	-	124
	2001	1	582	217	24	-	823
	Total	141	582	285	34	-	1,041
Part 1D	Prior	10,980	4,443	571	506	-	16,500
Workers' Compensation	1997	140	17	6	7	-	170
	1998	33	12	2	1	-	48
	1999	166	10	7	7	-	191
	2000	223	11	7	11	-	252
	2001	493	4,461	143	210	-	5,307
	Total	12,035	8,954	737	742	-	22,469
Part 1E	Prior	513	-	113	37	-	664
Commercial	1997	1	-	0	0	-	2
Multiple Peril	1998	-	-	-	-	-	-
	1999	4	-	2	1	-	6
	2000	49	-	12	3	-	64
	2001	0	4,827	1,126	339	-	6,292
	Total	568	4,827	1,252	381	-	7,028

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

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	2	-	0	-	-	2
Special Liability	1997	-	-	-	-	-	-
	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
Total		2	-	0	-	-	2
Part 1H, Section 1	Prior	1,475	961	704	72	-	3,211
Other Liability -	1997	-	-	-	-	-	-
Occurrence	1998	11	-	6	1	-	19
	1999	18	-	25	5	-	47
	2000	20	-	34	6	-	60
	2001	47	1,338	417	45	-	1,846
Total		1,570	2,298	1,186	129	-	5,183
Part 1I	Prior	2	-	0	-	-	2
Special Property	1997	-	-	-	-	-	-
	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	(1)	(0)	-	-	(2)
Total		2	(1)	(0)	-	-	0
Part 1J	Prior	-	-	-	-	-	-
Auto Physical	1997	-	-	-	-	-	-
Damage	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	0	(6)	(0)	0	-	(5)
Total		0	(6)	(0)	0	-	(5)
Part 1K	Prior	-	-	-	-	-	-
Fidelity/Surety	1997	-	-	-	-	-	-
	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
Total		-	-	-	-	-	-
Part 1N	Prior	243	450	18	-	-	712
Reinsurance	1997	-	-	-	-	-	-
Nonproportional	1998	-	-	-	-	-	-
Assumed Property	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	3	-	-	-	3
Total		243	453	18	-	-	715
Part 1O	Prior	377	475	27	-	-	878
Reinsurance	1997	118	144	8	-	-	270
Nonproportional	1998	3	179	0	-	-	182
Assumed Liability	1999	73	418	5	-	-	496
	2000	152	284	11	-	-	446
	2001	178	470	11	-	-	659
Total		900	1,969	62	-	-	2,930
Part 1R, Section 1	Prior	480	-	523	55	-	1,058
Products Liability -	1997	2	-	3	0	-	5
Occurrence	1998	-	-	-	-	-	-
	1999	-	-	-	-	-	-
	2000	7	-	8	1	-	16
	2001	8	230	241	31	-	510
Total		498	230	775	87	-	1,590

- 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.
- E. Business Interruption Insurance Recoveries  
There were not any business interruption insurance recoveries received during the periods reported.

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

NOTES TO FINANCIAL STATEMENTS

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
- 1) The definition of "subprime" is necessarily broad and intended to encompass both Alt-A and subprime. Corporate and equity securities (such as banks and investment banks), which may have underlying subprime exposure, are not included. The company's categorization of CMBS reflects securities backed by commercial real estate. Therefore, these securities are not included in the reported figures.
- The company's portfolio managers monitor the collateral every month in order to determine whether the collateral pools have deteriorated. Credit support levels provide a basis for the deal tranches the company owns. Anticipated lifetime losses are used to determine deal underperformance.
- 2) The company did not have any direct exposure to subprime mortgage related risk through subprime loans during the periods reported.
- 3) The company had direct exposure to subprime mortgage related risk through the investment listed below.

Type of Investment	Actual Cost	Book/Adjusted Carrying Value	Fair Value	OTTI Loss Recognized
Subprime/Home Equity Loan	3,070,294	2,803,346	2,171,207	-

- 4) The company did not have any underwriting exposure to subprime mortgage risk through mortgage guaranty or financial guaranty insurance coverage 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 four individual reinsurers that exceeded 3% of the company's surplus. The reinsurers and the associated recoverable balances are listed below.

Company Name	NAIC Number	Federal ID	Amount Recoverable
Motorists Commercial Mutual Insurance Company	13331	41-0299900	137,061,688
Iowa Mutual Insurance Company	14338	42-0333120	25,930,590
Phenix Mutual Fire Insurance Company	23175	02-0178290	25,930,590
Wilson Mutual Insurance Company	19950	39-0739760	22,226,220

- 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	115,037,055	17,495,326	81,449,741	12,965,132	33,587,314	4,530,194
b. All Other	2,992,121	445,863	1,020,204	41,171	1,971,917	404,692
c. Total	118,029,176	17,941,189	82,469,945	13,006,303	35,559,231	4,934,886

d. Direct UEP 159,091,845

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

	(1) Direct	(2) Assumed	(3) Ceded	(4) Net
a. Contingent	5,017,589	5,528,747	3,111,169	7,435,167
b. Sliding Scale	-	-	-	-
c. Other Profit	-	-	-	-
d. Total	5,017,589	5,528,747	3,111,169	7,435,167

- 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 \$26,906,827. 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.



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

NOTES TO FINANCIAL STATEMENTS

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 an aggregate pooling-related balance of \$98,284 payable to the other pool participants. The balances due to/from each of the other participants are listed below.

<u>Intercompany Pool Participant</u>	<u>Receivable/(Payable)</u>
Iowa American Insurance Company	299,833
Iowa Mutual Insurance Company	832,417
MICO Insurance Company	(57,171)
Motorists Commercial Mutual Insurance Company	169,216
Phenix Mutual Fire Insurance Company	(51,891)
Wilson Mutual Insurance Company	(1,290,688)

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 \$4,402,256 and \$4,585,658 as of December 31, 2011, and 2010, respectively.

	<u>2011</u>	<u>2010</u>
A. Loss Reserves Eliminated by Annuities	4,567,559	4,662,559
Unrecorded Loss Contingencies	4,402,256	4,585,658
B. As of December 31, 2011, there were not any amounts in excess of 1% of the company's surplus due for annuities from any one life insurance company associated with purchased annuities for which the company did not receive a release of liability from the claimant.		

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 \$7,050 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 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 the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from unaffiliated reinsurance assumed operations.

	<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>
1) Direct basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	12,901,226	12,228,610	11,959,012	10,458,839	9,542,451
b. Incurred losses and loss adjustment expenses	335,774	943,964	(823,467)	577,348	556,515
c. Calendar year loss and loss adj. expense payments	1,008,390	1,213,562	676,706	1,493,736	1,777,911
d. Ending Reserves (incl Case, Bulk & IBNR)	12,228,610	11,959,012	10,458,839	9,542,451	8,321,055
2) Assumed reinsurance basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	3,794,510	3,426,946	2,866,372	2,912,911	2,850,862
b. Incurred losses and loss adjustment expenses	(222,313)	(265,549)	175,340	161,592	(875,507)
c. Calendar year loss and loss adj. expense payments	145,251	295,025	128,801	223,641	275,687
d. Ending Reserves (incl Case, Bulk & IBNR)	3,426,946	2,866,372	2,912,911	2,850,862	1,699,668
3) Net of ceded reinsurance basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	14,105,933	13,750,636	13,331,035	11,967,767	10,969,877
b. Incurred losses and loss adjustment expenses	275,505	697,195	(790,515)	559,226	331,252
c. Calendar year loss and loss adj. expense payments	630,802	1,116,796	572,753	1,557,116	1,741,803
d. Ending Reserves (incl Case, Bulk & IBNR)	13,750,636	13,331,035	11,967,767	10,969,877	9,559,326

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

NOTES TO FINANCIAL STATEMENTS

B. The amount of ending reserves for bulk and IBNR included in "A" (loss and LAE):						
1)	Direct Basis				6,896,228	
2)	Assumed Reinsurance Basis				1,089,242	
3)	Net of Ceded Reinsurance Basis				7,941,571	
C. The amount of ending reserves for loss adjustment expenses included in "A" (case, bulk + IBNR):						
1)	Direct Basis				1,507,858	
2)	Assumed Reinsurance Basis				73,006	
3)	Net of Ceded Reinsurance Basis				1,558,915	
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 homeowners 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 the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau 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)	947,239	2,225,144	2,527,801	1,998,043	1,431,957
b.	Incurred losses and loss adjustment expenses	1,650,866	553,404	(85,765)	56,028	1,474,150
c.	Calendar year loss and loss adj. expense payments	372,961	250,747	443,993	622,114	318,986
d.	Ending Reserves (incl Case, Bulk & IBNR)	2,225,144	2,527,801	1,998,043	1,431,957	2,587,121
2)	Assumed reinsurance basis:	(1) 2007	(2) 2008	(3) 2009	(4) 2010	(5) 2011
a.	Beginning Reserves (incl Case, Bulk & IBNR)	602,023	541,033	268,880	274,092	322,716
b.	Incurred losses and loss adjustment expenses	(48,854)	(234,040)	12,010	109,931	(14,398)
c.	Calendar year loss and loss adj. expense payments	12,136	38,113	6,798	61,307	23,243
d.	Ending Reserves (incl Case, Bulk & IBNR)	541,033	268,880	274,092	322,716	285,075
3)	Net of ceded reinsurance basis:	(1) 2007	(2) 2008	(3) 2009	(4) 2010	(5) 2011
a.	Beginning Reserves (incl Case, Bulk & IBNR)	1,377,658	2,597,353	2,792,013	2,266,750	1,744,361
b.	Incurred losses and loss adjustment expenses	1,595,064	483,520	(74,472)	131,055	1,373,164
c.	Calendar year loss and loss adj. expense payments	375,369	288,860	450,791	653,444	342,229
d.	Ending Reserves (incl Case, Bulk & IBNR)	2,597,353	2,792,013	2,266,750	1,744,361	2,775,296
E. The amount of ending reserves for bulk and IBNR included in "A" (loss and LAE):						
1)	Direct Basis				1,789,504	
2)	Assumed Reinsurance Basis				165,444	
3)	Net of Ceded Reinsurance Basis				1,873,920	
F. The amount of ending reserves for loss adjustment expenses included in "A" (case, bulk + IBNR):						
1)	Direct Basis				881,113	
2)	Assumed Reinsurance Basis				48,465	
3)	Net of Ceded Reinsurance Basis				889,064	

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.

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:

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	2	3
Name of Entity	NAIC Company Code	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	2
Nationality	Type of Entity

%

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS 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 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 [ X ]
- 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	3	4
	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	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 [ X ] 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 [ X ] 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 [ X ] 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 [ X ]
- 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) .....\$ .....0
- 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) .....\$ .....0
- 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 [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others.....\$ .....0

21.22 Borrowed from others.....\$ .....0

21.23 Leased from others .....\$ .....0

21.24 Other .....\$ .....0
- 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 [ X ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$ .....0

22.22 Amount paid as expenses .....\$ .....0

22.23 Other amounts paid .....\$ .....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] 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 [ X ] 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 [ X ]
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. ....\$ .....0
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. ....\$ .....0
- 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 [ X ]
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [   ] No [   ] N/A [ X ]
- 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 [ X ]

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS 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 ☒ 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 \$ 24,435,035

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 \$ 1,604,117

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 ☒
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☒  
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 ☒
- 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 ☒ 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 ☒
- 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 06032
105900	General Re-New England Asset Management, Inc.	155 North Wacker Dr, Suite #4600, Chicago, IL 60606
109918	LSV Asset Management	50 South La Salle Street, Chicago, IL 60603
105780	Northern Trust Investments, N.A.	One Financial Center, Floor #44, Boston, MA 02111
109846	HarbourVest Partners, LLC	One Federal Street, 24th Floor, Boston, MA 02110
115443	Park Street Capital, L.L.C.	865 S Figueroa Street, Los Angeles, California 90017
105742	TCW Institutional Client Services Group	101 Barclay Street, 20th Floor West, New York, NY 10286
38642	BNY Mellon Alternative Investment Services	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE MOTORISTS 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	28,730,105
29875E-10-0	American EuroPacific Growth Fd	4,488,471
78467Y-10-7	SPDR S&P MidCap 400 ETF Tr	3,239,242
29.2999 - Total		36,457,819

- 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	1,485,921	06/30/2011
Artisan Intl Val Fund	TE Connectivity Ltd	1,221,029	06/30/2011
Artisan Intl Val Fund	Signet Jewelers Ltd	998,658	06/30/2011
Artisan Intl Val Fund	Arch Capital Group Ltd	977,398	06/30/2011
Artisan Intl Val Fund	Publicis Groupe SA	922,811	06/30/2011
American EuroPacific Growth Fd	Novo Nordisk A/S	115,040	09/30/2011
American EuroPacific Growth Fd	America Movil SAB de C	97,445	09/30/2011
American EuroPacific Growth Fd	Novartis AG	96,996	09/30/2011
American EuroPacific Growth Fd	Samsung Electronics Co.	84,114	09/30/2011
American EuroPacific Growth Fd	Softbank Corp.	75,631	09/30/2011
SPDR S&P MidCap 400 ETF Trust	Dollar Tree Inc.	29,963	11/30/2011
SPDR S&P MidCap 400 ETF Trust	Perrigo Co.	27,372	11/30/2011
SPDR S&P MidCap 400 ETF Trust	Kansas City Southern	22,513	11/30/2011
SPDR S&P MidCap 400 ETF Trust	BorgWarner Inc.	21,768	11/30/2011
SPDR S&P MidCap 400 ETF Trust	Monster Beverage Corp.	21,411	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	647,213,963	683,302,090	36,088,127
30.2 Preferred stocks			
30.3 Totals	647,213,963	683,302,090	36,088,127

- 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 MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....1,397,686

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. ....	840,359
.....	.....

34.1 Amount of payments for legal expenses, if any? .....\$ .....87,315

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
Squire Sanders & Dempsey LLP .....	29,469
.....	.....

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
.....	.....
.....	.....



GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

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

Yes [ ] No [ X ]

1.2

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

\$ \_\_\_\_\_

1.3

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

\$ \_\_\_\_\_

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. ....

\$ \_\_\_\_\_

1.5

Indicate total incurred claims on all Medicare Supplement Insurance. ....

\$ \_\_\_\_\_

0

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 .....

\$ \_\_\_\_\_

0

1.65

Total incurred claims .....

\$ \_\_\_\_\_

0

1.66

Number of covered lives .....

.....

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 .....

21,295

23,240

2.2

Premium Denominator .....

460,452,913

483,766,480

2.3

Premium Ratio (2.1/2.2) .....

0.000

0.000

2.4

Reserve Numerator .....

15,968

23,569

2.5

Reserve Denominator .....

608,230,260

638,956,193

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

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 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 Ohio. 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 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):

\$1,410,000

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 amount.

2

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 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 [ X ]

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	\$
17.12 Unfunded portion of Interrogatory 17.11	\$
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$
17.14 Case reserves portion of Interrogatory 17.11	\$
17.15 Incurred but not reported portion of Interrogatory 17.11	\$
17.16 Unearned premium portion of Interrogatory 17.11	\$
17.17 Contingent commission portion of Interrogatory 17.11	\$

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	\$
17.19 Unfunded portion of Interrogatory 17.18	\$
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$
17.21 Case reserves portion of Interrogatory 17.18	\$
17.22 Incurred but not reported portion of Interrogatory 17.18	\$
17.23 Unearned premium portion of Interrogatory 17.18	\$
17.24 Contingent commission portion of Interrogatory 17.18	\$

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

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 [ X ]

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 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
<b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>					
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) .....	277,881,269	312,385,831	308,056,752	297,261,998	276,331,876
2. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	140,965,137	154,193,822	153,744,604	150,957,627	151,182,139
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	212,046,826	225,668,670	229,820,586	192,015,194	187,509,258
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	804,391	1,089,126	1,000,740	922,557	832,563
5. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	13,509,859	11,257,932	10,662,018	9,821,427	11,399,428
6. Total (Line 35) .....	645,207,483	704,595,382	703,284,699	650,978,803	627,255,265
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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) .....	193,703,506	216,933,331	209,454,553	218,133,534	202,259,137
8. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	97,125,176	107,344,193	104,668,864	110,780,818	111,412,114
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	142,030,453	154,046,687	152,960,683	137,299,964	135,448,834
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	566,041	758,313	682,243	680,185	615,108
11. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	9,524,451	7,936,842	7,502,107	7,316,963	8,492,574
12. Total (Line 35) .....	442,949,627	487,019,365	475,268,449	474,211,463	458,227,766
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8) .....	(52,659,663)	(44,011,065)	(38,136,560)	(35,337,952)	3,201,206
14. Net investment gain or (loss) (Line 11) .....	36,246,817	39,883,437	29,202,052	15,899,867	40,721,149
15. Total other income (Line 15) .....	(2,450,255)	4,008,904	1,543,259	2,243,697	2,725,902
16. Dividends to policyholders (Line 17) .....	6,254,682	6,464,602	3,971,734	2,851,690	1,394,954
17. Federal and foreign income taxes incurred (Line 19) .....	(4,287,664)	(7,307,537)	(12,577,016)	(1,738,471)	10,861,126
18. Net income (Line 20) .....	(20,830,119)	724,212	1,214,033	(18,307,607)	34,392,177
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) .....	1,228,435,140	1,292,840,558	1,254,954,798	1,175,477,266	1,213,865,665
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1) .....	19,793,118	24,791,272	22,204,149	19,230,135	15,937,703
20.2 Deferred and not yet due (Line 15.2) .....	84,560,244	86,885,021	92,319,363	90,308,577	86,803,843
20.3 Accrued retrospective premiums (Line 15.3) .....					
21. Total liabilities excluding protected cell business (Page 3, Line 26) .....	767,588,107	789,518,304	767,466,460	766,206,999	678,802,670
22. Losses (Page 3, Line 1) .....	310,905,401	314,623,708	302,391,027	316,074,109	298,116,677
23. Loss adjustment expenses (Page 3, Line 3) .....	88,086,740	94,512,507	88,451,212	77,998,193	71,561,636
24. Unearned premiums (Page 3, Line 9) .....	194,651,076	212,154,362	208,901,477	204,697,489	194,720,661
25. Capital paid up (Page 3, Lines 30 & 31) .....					
26. Surplus as regards policyholders (Page 3, Line 37) .....	460,847,033	503,322,254	487,488,338	409,270,267	535,062,995
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11) .....	(44,651,858)	12,318,265	19,048,634	23,356,747	46,727,487
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital .....	463,201,079	505,529,303	489,127,153	409,656,871	537,306,715
29. Authorized control level risk-based capital .....	58,896,887	59,943,280	55,969,115	50,336,033	50,881,090
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>					
30. Bonds (Line 1) .....	66.1	67.5	70.5	73.5	71.4
31. Stocks (Lines 2.1 & 2.2) .....	19.5	19.0	18.4	15.4	17.2
32. Mortgage loans on real estate (Lines 3.1 and 3.2) .....	0.1	0.1	0.1		
33. Real estate (Lines 4.1, 4.2 & 4.3) .....	2.8	2.7	1.7	1.4	1.4
34. Cash, cash equivalents and short-term investments (Line 5) .....	0.7	0.2	1.0	2.6	1.9
35. Contract loans (Line 6) .....					
36. Derivatives (Line 7) .....			XXX	XXX	XXX
37. Other invested assets (Line 8) .....	10.8	10.5	8.3	7.1	8.2
38. Receivables for securities (Line 9) .....	0.0	0.0	0.0	0.1	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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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) .....	51,449,362	49,888,862	47,141,224	45,044,521	54,177,580
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 .....	16,000,000	16,000,000	13,000,000	13,000,000	13,000,000
48. Total of above Lines 42 to 47 .....	67,449,362	65,888,862	60,141,224	58,044,521	67,177,580
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) .....	14.6	13.1	12.3	14.2	12.6

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

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24) .....	(6,462,061)	19,734,137	35,132,477	(49,132,163)	(12,558)
51. Dividends to stockholders (Line 35) .....					
52. Change in surplus as regards policyholders for the year (Line 38) .....	(42,475,220)	15,833,916	78,218,071	(125,792,728)	35,148,588
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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) .....	156,141,068	164,877,070	141,641,080	130,419,988	126,660,580
54. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	104,272,020	84,787,318	84,377,644	85,444,578	75,443,041
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	185,263,849	146,146,289	169,304,758	161,785,603	118,040,028
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	337,499	486,522	278,810	708,251	440,161
57. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	8,915,567	5,962,958	8,282,585	8,728,377	7,798,386
58. Total (Line 35) .....	454,930,004	402,260,156	403,884,876	387,086,796	328,382,197
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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) .....	108,331,604	112,634,375	110,089,148	94,109,337	91,530,589
60. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	69,690,895	59,755,299	59,574,423	62,000,333	55,323,544
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	122,294,974	101,631,379	109,292,984	95,461,884	82,589,144
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	237,937	342,998	207,361	527,647	327,920
63. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	6,285,475	4,203,886	7,209,000	6,502,641	5,809,797
64. Total (Line 35) .....	306,840,884	278,567,936	286,372,915	258,601,842	235,580,995
<b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>					
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) .....	33.5	35.6	34.9	34.1	33.3
69. Net underwriting gain (loss) (Line 8) .....	(11.4)	(9.1)	(8.1)	(7.6)	0.7
<b>Other Percentages</b>					
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) .....	35.4	34.6	34.3	33.0	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) .....	96.1	96.8	97.5	115.9	85.6
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	(19,135)	(10,480)	(6,887)	(13,272)	(18,660)
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) .....	(3.8)	(2.1)	(1.7)	(2.5)	(3.7)
<b>Two Year Loss Development (000 omitted)</b>					
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) .....	(21,692)	(14,270)	(19,899)	(23,799)	(12,057)
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) .....	(4.4)	(3.5)	(3.7)	(4.8)	(2.7)

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: .....

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

**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	8,513	5,128	1,264	105	347	2	92	4,890	XXX
2. 2002.....	358,801	15,825	342,977	215,014	3,451	12,115	76	26,521	73	9,100	250,051	XXX
3. 2003.....	412,668	16,838	395,830	220,133	7,301	12,865	81	28,664	54	9,749	254,226	XXX
4. 2004.....	459,589	17,088	442,502	233,397	7,525	15,280	810	33,312	60	11,590	273,594	XXX
5. 2005.....	474,561	17,185	457,376	216,103	2,174	15,365	119	33,635	16	9,832	262,793	XXX
6. 2006.....	473,163	18,319	454,844	229,391	4,390	12,896	136	37,743	9	9,395	275,496	XXX
7. 2007.....	472,319	18,519	453,800	243,584	7,493	14,224	29	37,935	21	12,621	288,200	XXX
8. 2008.....	480,343	21,095	459,248	296,395	35,923	14,061	61	42,225	187	10,658	316,509	XXX
9. 2009.....	491,095	20,031	471,064	257,205	12,437	8,498	389	37,343	127	10,061	290,092	XXX
10. 2010.....	502,439	18,673	483,766	231,496	1,088	4,038		39,031	3	10,028	273,474	XXX
11. 2011.....	480,945	20,492	460,453	215,900	15,198	1,058		36,383	158	6,096	237,985	XXX
12. Totals	XXX	XXX	XXX	2,367,132	102,109	111,664	1,807	353,139	711	99,221	2,727,309	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.....	29,845	13,255	21,664	1,951			4,505	138	1,427	3		42,093	XXX
2. 2002.....	865		1,462	43			326		93			2,703	XXX
3. 2003.....	1,148	0	1,533				479		157			3,316	XXX
4. 2004.....	1,472	0	2,167				634		174			4,446	XXX
5. 2005.....	3,081	205	2,542	8			1,150		358			6,917	XXX
6. 2006.....	4,181	141	2,640	1			1,386		447			8,512	XXX
7. 2007.....	8,362	19	3,649	9			2,921		972			15,875	XXX
8. 2008.....	13,630	43	6,581	596			6,656		1,887			28,115	XXX
9. 2009.....	25,956	47	13,369	374			9,751		3,522			52,176	XXX
10. 2010.....	40,998	3,111	28,870	856			15,199		5,936			87,037	XXX
11. 2011.....	65,276	2,594	57,616	2,745			15,414		14,836			147,802	XXX
12. Totals	194,813	19,416	142,093	6,584			58,421	138	29,808	3		398,992	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	36,303	5,790
2. 2002.....	256,396	3,643	252,753	71.5	23.0	73.7			70.5	2,283	419
3. 2003.....	264,979	7,436	257,542	64.2	44.2	65.1			70.5	2,681	635
4. 2004.....	286,435	8,395	278,040	62.3	49.1	62.8			70.5	3,638	808
5. 2005.....	272,232	2,522	269,710	57.4	14.7	59.0			70.5	5,410	1,507
6. 2006.....	288,685	4,677	284,008	61.0	25.5	62.4			70.5	6,678	1,834
7. 2007.....	311,647	7,571	304,075	66.0	40.9	67.0			70.5	11,982	3,893
8. 2008.....	381,435	36,811	344,624	79.4	174.5	75.0			70.5	19,571	8,543
9. 2009.....	355,643	13,375	342,268	72.4	66.8	72.7			70.5	38,904	13,273
10. 2010.....	365,569	5,058	360,510	72.8	27.1	74.5			70.5	65,901	21,135
11. 2011.....	406,483	20,696	385,787	84.5	101.0	83.8			70.5	117,553	30,249
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	310,905	88,087

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.

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

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.....	135,999	154,607	160,222	166,242	168,857	171,853	172,854	171,341	173,504	174,337	833	2,996
2. 2002.....	222,325	224,678	226,818	223,226	228,386	226,663	225,749	225,919	226,400	226,212	(189)	293
3. 2003.....	XXX	235,822	234,796	231,156	234,667	231,039	230,265	229,501	228,966	228,776	(190)	(725)
4. 2004.....	XXX	XXX	257,917	253,963	251,923	246,730	245,409	246,005	244,464	244,614	150	(1,391)
5. 2005.....	XXX	XXX	XXX	250,954	239,515	235,731	236,326	236,061	235,937	235,734	(204)	(327)
6. 2006.....	XXX	XXX	XXX	XXX	262,332	254,670	250,882	249,413	247,138	245,826	(1,312)	(3,587)
7. 2007.....	XXX	XXX	XXX	XXX	XXX	278,686	270,134	267,235	265,152	265,190	38	(2,045)
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	307,459	306,716	303,246	300,699	(2,547)	(6,017)
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	312,419	309,321	301,531	(7,790)	(10,888)
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	323,469	315,547	(7,923)	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	334,727	XXX	XXX
12. Totals											(19,135)	(21,692)

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011		
1. Prior.....	.000	44,753	76,706	95,910	107,355	115,308	120,797	124,447	129,123	133,668	XXX	XXX
2. 2002.....	130,290	172,150	193,081	205,022	215,262	219,273	220,878	222,430	223,351	223,602	XXX	XXX
3. 2003.....	XXX	127,829	171,653	193,706	211,946	219,122	223,171	224,286	225,084	225,616	XXX	XXX
4. 2004.....	XXX	XXX	135,750	188,789	210,746	223,711	232,009	237,160	239,325	240,341	XXX	XXX
5. 2005.....	XXX	XXX	XXX	126,310	174,480	193,234	208,947	219,344	225,443	229,174	XXX	XXX
6. 2006.....	XXX	XXX	XXX	XXX	141,688	189,523	209,837	225,262	234,731	237,761	XXX	XXX
7. 2007.....	XXX	XXX	XXX	XXX	XXX	150,676	199,792	224,498	240,021	250,286	XXX	XXX
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	169,272	228,560	256,396	274,472	XXX	XXX
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	176,874	230,520	252,877	XXX	XXX
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	174,970	234,446	XXX	XXX
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	201,760	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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior.....	59,538	43,541	34,814	30,672	29,130	29,356	29,414	26,634	26,489	24,080
2. 2002.....	44,844	27,243	17,990	9,850	7,065	4,087	2,705	2,195	1,875	1,745
3. 2003.....	XXX	52,304	34,028	17,294	12,051	6,518	4,166	3,083	2,199	2,012
4. 2004.....	XXX	XXX	60,640	36,751	22,411	12,161	7,089	4,701	2,735	2,800
5. 2005.....	XXX	XXX	XXX	69,341	37,691	19,723	10,911	7,085	4,145	3,684
6. 2006.....	XXX	XXX	XXX	XXX	63,462	36,230	19,926	11,355	6,360	4,025
7. 2007.....	XXX	XXX	XXX	XXX	XXX	69,710	39,932	21,655	12,147	6,561
8. 2008.....	XXX	XXX	XXX	XXX	XXX	XXX	70,189	42,404	21,961	12,641
9. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	72,479	44,364	22,746
10. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	79,168	43,213
11. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	70,285



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

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1  Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4  Dividends Paid or Credited to Policyholders on Direct Business	5  Direct Losses Paid (Deducting Salvage)	6  Direct Losses Incurred	7  Direct Losses Unpaid	8  Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama .....	AL	N							
2. Alaska .....	AK	N							
3. Arizona .....	AZ	N							
4. Arkansas .....	AR	N							
5. California .....	CA	Q							
6. Colorado .....	CO	N							
7. Connecticut .....	CT	Q							
8. Delaware .....	DE	N							
9. District of Columbia .....	DC	N							
10. Florida .....	FL	N							
11. Georgia .....	GA	N							
12. Hawaii .....	HI	N							
13. Idaho .....	ID	N							
14. Illinois .....	IL	Q							
15. Indiana .....	IN	L	43,609,887	44,180,601	27,104,205	24,227,214	30,678,182	217,362	
16. Iowa .....	IA	Q							
17. Kansas .....	KS	N							
18. Kentucky .....	KY	L	45,652,236	45,574,791	24,194,942	19,854,953	27,143,340	239,128	
19. Louisiana .....	LA	N							
20. Maine .....	ME	N							
21. Maryland .....	MD	N							
22. Massachusetts .....	MA	Q							
23. Michigan .....	MI	L	4,886,322	4,375,652	3,214,914	2,652,187	4,296,897	9,710	
24. Minnesota .....	MN	N							
25. Mississippi .....	MS	N							
26. Missouri .....	MO	Q							
27. Montana .....	MT	N							
28. Nebraska .....	NE	N							
29. Nevada .....	NV	N							
30. New Hampshire .....	NH	Q							
31. New Jersey .....	NJ	N							
32. New Mexico .....	NM	N							
33. New York .....	NY	Q							
34. North Carolina .....	NC	Q							
35. North Dakota .....	ND	N							
36. Ohio .....	OH	L	229,525,011	233,746,625	153,167,024	153,763,993	108,564,745	1,719,462	
37. Oklahoma .....	OK	N							
38. Oregon .....	OR	N							
39. Pennsylvania .....	PA	L	56,060,681	56,127,820	649,348	37,711,994	47,071,889	51,445,049	320,680
40. Rhode Island .....	RI	Q							
41. South Carolina .....	SC	N							
42. South Dakota .....	SD	Q							
43. Tennessee .....	TN	N							
44. Texas .....	TX	N							
45. Utah .....	UT	N							
46. Vermont .....	VT	Q							
47. Virginia .....	VA	Q							
48. Washington .....	WA	N							
49. West Virginia .....	WV	L	20,266,669	20,209,046	10,200,417	10,996,787	9,519,330	78,071	
50. Wisconsin .....	WI	Q							
51. Wyoming .....	WY	N							
52. American Samoa .....	AS	N							
53. Guam .....	GU	N							
54. Puerto Rico .....	PR	N							
55. U.S. Virgin Islands .....	VI	N							
56. Northern Mariana Islands .....	MP	N							
57. Canada .....	CN	N							
58. Aggregate other alien ..	OT	XXX							
59. Totals	(a) 6	400,000,807	404,214,536	649,348	255,593,497	258,567,025	231,647,544	2,584,414	
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, 8, 9, 12, 16, 26, and 27

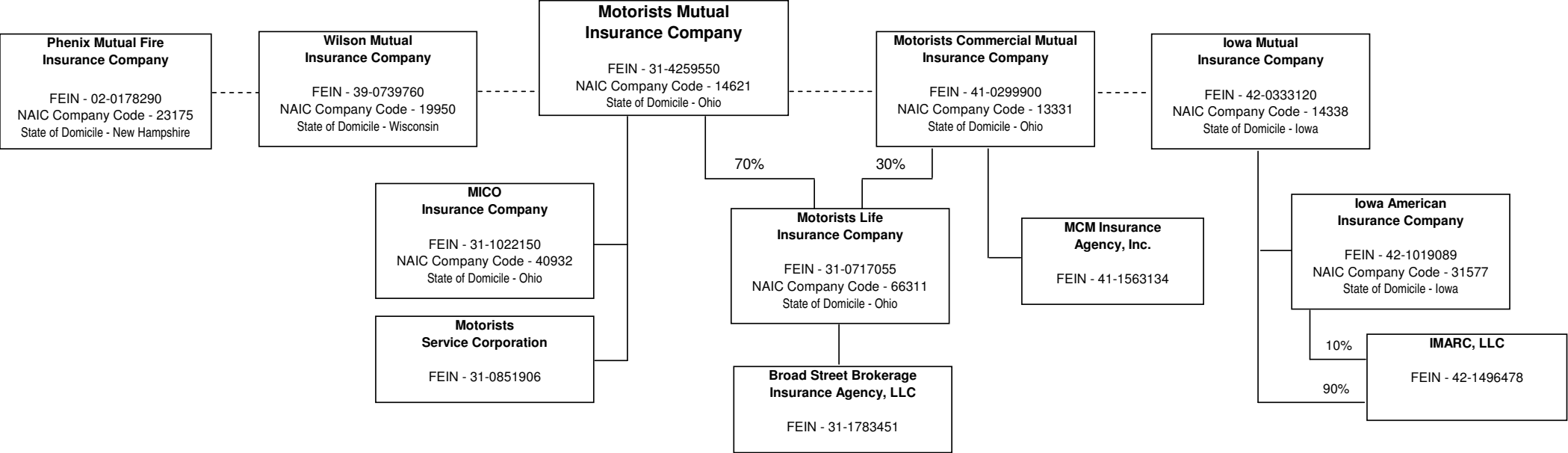
2) the location of the insured's operation for lines 17 and 18

3) the principal garaging location for lines 19 and 21

4) the location of the employer for line 23

(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 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 pension .....	35,952,810	35,952,810		
2505.	Automobiles .....	3,451,049	3,451,049		
2506.	Prepaid post retirement health care .....	783,191	783,191		
2507.	Leasehold improvements .....	449,249	449,249		
2508.	Prepaid expenses .....	177,254	177,254		
2509.	Tenant allowances .....	90,978	90,978		
2510.	Miscellaneous receivables .....	9,376	9,376		
2511.	Employee advances .....	8,884	8,884		
2597.	Summary of remaining write-ins for Line 25 from overflow page	40,922,791	40,922,791		

Additional Write-ins for Liabilities Line 25

		1	2
		Current Year	Prior Year
2504.	Escheatable funds .....	416,342	455,199
2505.	Obligations in pools and associations .....	215,430	340,865
2506.	Low income housing obligations .....	85,232	314,712
2507.	Miscellaneous liabilities .....	78,004	83,566
2508.	Tenant allowances payable .....	33,091	5,337
2509.	Reinsurance assumed overhead payable .....	23,859	74,386
2510.	Premium deficiency reserve .....	7,050	24,675
2511.	Data center construction expenses payable .....		848,104
2512.	Computer equipment payable .....		94,318
2597.	Summary of remaining write-ins for Line 25 from overflow page	859,008	2,241,163

Additional Write-ins for Statement of Income Line 14

		1	2
		Current Year	Prior Year
1404.	Interest on assets other than securities .....	245	
1405.	Miscellaneous income or expense .....	(23,741)	(7,557)
1406.	Surplus note interest credit .....	(325,000)	
1407.	Change in ICOLL cash surrender value .....	(3,615,337)	2,514,557
1497.	Summary of remaining write-ins for Line 14 from overflow page	(3,963,833)	2,507,000

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 .....	164,087	351,238	14,800	530,126
2405.	Other unallocated expenses .....	317,067			317,067
2406.	Temporary labor .....	66,449	35,280	480	102,209
2407.	Policy administration / servicing fees .....		15,131		15,131
2497.	Summary of remaining write-ins for Line 24 from overflow page	547,603	401,650	15,281	964,533

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.	Leasehold improvements .....	449,249	395,793	(53,455)
2505.	Prepaid expenses .....	177,254	176,059	(1,194)
2506.	Tenant allowances .....	90,978	124,106	33,128
2507.	Miscellaneous receivables .....	9,376	31,921	22,544
2508.	Employee advances .....	8,884	20,032	11,149
2597.	Summary of remaining write-ins for Line 25 from overflow page	735,740	747,911	12,171

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