



ANNUAL STATEMENT

For the Year Ended December 31, 2011
of the Condition and Affairs of the

American Commerce Insurance Company

NAIC Group Code.....0411, 0411 (Current Period) (Prior Period)	NAIC Company Code..... 19941	Employer's ID Number..... 31-4361173
Organized under the Laws of OHIO	State of Domicile or Port of Entry OHIO	Country of Domicile US
Incorporated/Organized..... September 18, 1946	Commenced Business..... March 19, 1947	
Statutory Home Office	3590 TWIN CREEKS DRIVE..... COLUMBUS OH 43218-2579 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	211 MAIN STREET..... WEBSTER MA 01570 (Street and Number) (City or Town, State and Zip Code)	508-943-9000 (Area Code) (Telephone Number)
Mail Address	211 MAIN STREET..... WEBSTER MA 01570 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	211 MAIN STREET..... WEBSTER MA 01570 (Street and Number) (City or Town, State and Zip Code)	508-943-9000 (Area Code) (Telephone Number)
Internet Web Site Address	www.acilink.com	
Statutory Statement Contact	BRIAN KEITH GERMAIN (Name) bgermain@mapfreusa.com (E-Mail Address)	508-943-9000-14942 (Area Code) (Telephone Number) (Extension) 508-949-4246 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. JAIME TAMAYO	PRESIDENT & CEO	2. DANIEL PATRICK OLOHAN	SECRETARY, GENERAL COUNSEL, & SVP
3. ROBERT EDWARD MCKENNA	TREASURER, CAO, & SVP	4. RANDALL VAUGHN BECKER	EXECUTIVE VICE PRESIDENT & CFO

OTHER

DIRECTORS OR TRUSTEES

RANDALL VAUGHN BECKER	DENNIS JOHN CROSSLEY	GERALD FELS	FREDERICK LAWRENCE GRUEL
JOHN DAVID PORTER	MARK ALLEN SHAW	MARK HARRY SHAW	JAIME TAMAYO
OTTO TILLMAN WRIGHT	DAVID HILL COCHRANE #	KIRK RICHARD NELSON #	

State of..... MASSACHUSETTS
County of.... WORCESTER

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.

(Signature) JAIME TAMAYO	(Signature) DANIEL PATRICK OLOHAN	(Signature) ROBERT EDWARD MCKENNA
1. (Printed Name) PRESIDENT & CEO	2. (Printed Name) SECRETARY, GENERAL COUNSEL, & SVP	3. (Printed Name) TREASURER, CAO, & SVP
(Title)	(Title)	(Title)

Subscribed and sworn to before me This _____ day of _____ 2012	a. Is this an original filing? b. If no 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [X] No [] _____ _____ _____
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Annual Statement for the year 2011 of the **American Commerce Insurance Company**
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	173,889,211		173,889,211	184,499,172
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	6,193,655		6,193,655	3,465,804
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	1,850,907		1,850,907	1,805,466
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....11,857,266, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....0, Sch. DA).....	11,857,266		11,857,266	6,391,369
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	193,791,039	0	193,791,039	196,161,811
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	2,055,600	150,008	1,905,592	2,153,832
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	36,555,534		36,555,534	39,141,309
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	54,874,585		54,874,585	48,521,365
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....	24,237,239		24,237,239	24,090,780
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	653,918		653,918	
18.2 Net deferred tax asset.....	8,161,614	2,037,644	6,123,970	5,100,079
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	1,658,970		1,658,970	961,879
21. Furniture and equipment, including health care delivery assets (\$.....0).....	938,199	938,199	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	4,582,614
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	49,194,838	1,975,290	47,219,548	40,074,188
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	372,121,536	5,101,141	367,020,395	360,787,857
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	372,121,536	5,101,141	367,020,395	360,787,857

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. PRE PAID RENT.....	5,200	5,200	0	
2502. PRE PAID EXPENSES.....	274,089	274,089	0	38,825,755
2503. EQUITY IN POOLS AND ASSOCIATIONS.....	45,811,462		45,811,462	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	3,104,087	1,696,001	1,408,086	1,248,433
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	49,194,838	1,975,290	47,219,548	40,074,188

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	46,892,915	51,160,721
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	31,389,926	25,997,820
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	12,596,450	12,558,744
4. Commissions payable, contingent commissions and other similar charges.....	4,186,196	4,956,958
5. Other expenses (excluding taxes, licenses and fees).....	2,944,225	3,345,113
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	530,047	1,121,524
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		3,237,888
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....149,160,941 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).....	74,468,342	71,660,954
10. Advance premium.....	3,410,625	2,880,025
11. Dividends declared and unpaid:		
11.1 Stockholders.....	13,616,103	
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	43,691,629	47,360,094
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	3,505,936	
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	2,001,894	346,984
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	239,234,288	224,626,825
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	239,234,288	224,626,825
29. Aggregate write-ins for special surplus funds.....	702,358	760,961
30. Common capital stock.....	3,226,140	3,226,140
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	26,188,147	26,188,147
35. Unassigned funds (surplus).....	97,669,462	105,985,784
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	127,786,107	136,161,032
38. TOTALS (Page 2, Line 28, Col. 3).....	367,020,395	360,787,857

DETAILS OF WRITE-INS

2501. MISCELLANEOUS LIABILITIES.....	490,894	346,984
2502. Premium Deficiency Reserve.....	1,511,000	
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,001,894	346,984
2901. ADDITIONAL ADMITTED DEFERRED TAX ASSETS UNDER SSAP10R, par.10e.....	702,358	760,961
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	702,358	760,961
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4).....	147,461,016	138,871,314
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7).....	101,734,109	86,764,797
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	17,971,149	16,738,427
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	40,327,405	38,996,733
5.	Aggregate write-ins for underwriting deductions.....	1,356,830	(130,040)
6.	Total underwriting deductions (Lines 2 through 5).....	161,389,493	142,369,917
7.	Net income of protected cells.....		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(13,928,477)	(3,498,603)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....	9,859,836	11,758,812
10.	Net realized capital gains (losses) less capital gains tax of \$....(884,305) (Exhibit of Capital Gains (Losses)).....	3,678,828	2,685,594
11.	Net investment gain (loss) (Lines 9 + 10).....	13,538,664	14,444,406
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13.	Finance and service charges not included in premiums.....	1,793,133	1,863,786
14.	Aggregate write-ins for miscellaneous income.....	48,230	46,253
15.	Total other income (Lines 12 through 14).....	1,841,363	1,910,039
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,451,550	12,855,842
17.	Dividends to policyholders.....		
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).....	1,451,550	12,855,842
19.	Federal and foreign income taxes incurred.....	(756,476)	3,348,629
20.	Net income (Line 18 minus Line 19) (to Line 22).....	2,208,026	9,507,213
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	136,161,032	133,815,552
22.	Net income (from Line 20).....	2,208,026	9,507,213
23.	Net transfers (to) from Protected Cell accounts.....		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$....147,006.....	273,012	2,707,151
25.	Change in net unrealized foreign exchange capital gain (loss).....		
26.	Change in net deferred income tax.....	(2,603,941)	(384,233)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3).....	3,801,733	2,108,225
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
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.....	(13,616,103)	(13,381,555)
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.....	1,562,348	1,788,679
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(8,374,925)	2,345,480
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	127,786,107	136,161,032

DETAILS OF WRITE-INS

0501.	LAD PROGRAM INCOME.....	(154,170)	(130,040)
0502.	PREMIUM DEFICIENCY RESERVE.....	1,511,000	
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	1,356,830	(130,040)
1401.	Miscellaneous Expense.....	20,759	30,288
1402.	GAIN ON SALE OF FIXED ASSETS.....	27,471	15,965
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	48,230	46,253
3701.	ADDITIONAL ADMITTED DEFERRED TAX ASSETS UNDER SSAP10R, par 10e.....	702,358	760,961
3702.	RECLASSIFICATION OF ADDITIONAL ADMITTED DEFERRED TAX ASSETS TO SPECIAL SURPLUS FUNDS.....	(702,358)	(760,961)
3703.	STAUTORY ADJUSTMENT FOR TAX SETTLEMENT.....	308,213	737,222
3798.	Summary of remaining write-ins for Line 37 from overflow page.....	1,254,135	1,051,457
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	1,562,348	1,788,679

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	149,716,314	142,796,974
2. Net investment income.....	10,194,197	11,799,074
3. Miscellaneous income.....	1,841,363	1,910,039
4. Total (Lines 1 through 3).....	161,751,874	156,506,087
5. Benefit and loss related payments.....	107,109,488	101,389,775
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	61,380,805	52,913,733
7. Commissions, expenses paid and aggregate write-ins for deductions.....	.....	.....
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$....(734,733) tax on capital gains (losses).....	2,251,025	2,550,137
10. Total (Lines 5 through 9).....	170,741,318	156,853,645
11. Net cash from operations (Line 4 minus Line 10).....	(8,989,444)	(347,558)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	87,336,922	98,744,955
12.2 Stocks.....	3,211,900	15,987,174
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	328,824	62,829
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	.....
12.7 Miscellaneous proceeds.....	.....	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	90,877,646	114,794,958
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	73,391,128	71,277,447
13.2 Stocks.....	6,019,900	2,003,200
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	501,529	518,186
13.5 Other invested assets.....	.....	.....
13.6 Miscellaneous applications.....	.....	.....
13.7 Total investments acquired (Lines 13.1 to 13.6).....	79,912,557	73,798,833
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	10,965,089	40,996,125
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.....	.....	27,318,480
16.6 Other cash provided (applied).....	3,490,252	(12,947,019)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	3,490,252	(40,265,499)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	5,465,897	383,068
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	6,391,369	6,008,301
19.2 End of year (Line 18 plus Line 19.1).....	11,857,266	6,391,369

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

20.0001
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Annual Statement for the year 2011 of the **American Commerce 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 December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	1,091,108	629,975	706,211	1,014,872
2. Allied lines.....	28,943	35,757	37,388	27,312
3. Farmowners multiple peril.....				0
4. Homeowners multiple peril.....	19,585,902	11,790,719	12,723,575	18,653,046
5. Commercial multiple peril.....	2,483,415	1,460,832	1,537,739	2,406,508
6. Mortgage guaranty.....				0
8. Ocean marine.....				0
9. Inland marine.....	480,411	288,318	304,553	464,176
10. Financial guaranty.....				0
11.1 Medical professional liability - occurrence.....				0
11.2 Medical professional liability - claims-made.....				0
12. Earthquake.....				0
13. Group accident and health.....				0
14. Credit accident and health (group and individual).....				0
15. Other accident and health.....				0
16. Workers' compensation.....				0
17.1 Other liability - occurrence.....	437,502	635,565	764,444	308,623
17.2 Other liability - claims-made.....				0
17.3 Excess workers' compensation.....				0
18.1 Products liability - occurrence.....	5,515	3,550	5,751	3,314
18.2 Products liability - claims-made.....				0
19.1, 19.2 Private passenger auto liability.....	71,855,242	32,486,678	33,202,179	71,139,741
19.3, 19.4 Commercial auto liability.....	5,158,976	2,615,214	2,606,002	5,168,188
21. Auto physical damage.....	49,141,390	21,714,346	22,580,498	48,275,238
22. Aircraft (all perils).....			2	(2)
23. Fidelity.....				0
24. Surety.....				0
26. Burglary and theft.....				0
27. Boiler and machinery.....				0
28. Credit.....				0
29. International.....				0
30. Warranty.....				0
31. Reinsurance - nonproportional assumed property.....				0
32. Reinsurance - nonproportional assumed liability.....				0
33. Reinsurance - nonproportional assumed financial lines.....				0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	150,268,404	71,660,954	74,468,342	147,461,016

DETAILS OF WRITE-INS

3401.				0
3402.				0
3403.				0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	706,211				706,211
2. Allied lines.....	.37,388				37,388
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....	12,723,575				12,723,575
5. Commercial multiple peril.....	.1,537,739				1,537,739
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	.304,553				304,553
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....					0
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....	.764,444				764,444
17.2 Other liability - claims-made.....					0
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....	.5,751				5,751
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....	33,202,179				33,202,179
19.3, 19.4 Commercial auto liability.....	.2,606,002				2,606,002
21. Auto physical damage.....	22,580,498				22,580,498
22. Aircraft (all perils).....	.2				2
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	0
35. TOTALS.....	74,468,342	.0	.0	.0	74,468,342
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					74,468,342

DETAILS OF WRITE-INS

3401.					0
3402.					0
3403.					0
3498. Summary of remaining write-ins for Line 34 from overflow page....	.0	.0	.0	.0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	0

(a) State here basis of computation used in each case: Daily Pro Rata

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	2,430,411	1,091,108		2,430,411		1,091,108
2. Allied lines.....	64,770	28,943		64,770		28,943
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....	66,760,439	19,585,902		66,760,439		19,585,902
5. Commercial multiple peril.....		2,483,415				2,483,415
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	84,419	480,411		84,419		480,411
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....	10,380,981	437,502		10,380,981		437,502
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....		5,515				5,515
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	118,454,266	71,855,242		118,454,266		71,855,242
19.3, 19.4 Commercial auto liability.....		5,158,976				5,158,976
21. Auto physical damage.....	57,725,582	49,141,390		57,725,582		49,141,390
22. Aircraft (all perils).....	11,560,116			11,560,116		0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	267,460,984	150,268,404	0	267,460,984	0	150,268,404

DETAILS OF WRITE-INS

3401.						0
3402.						0
3403.						0
3498. Summary of remaining write-ins for Line 34 from overflow page..	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0

(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 \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	1,424,335	.579,891	1,424,335	.579,891	354,224	.235,575	.698,540	.68.8
2. Allied lines.....	.31,851	1,882	.31,851	1,882	7,544	6,812	2,614	.9.6
3. Farmowners multiple peril.....								
4. Homeowners multiple peril.....	48,694,293	18,590,612	48,694,293	18,590,612	5,435,742	4,411,004	19,615,350	105.2
5. Commercial multiple peril.....		752,121		752,121	430,138	476,210	.706,049	.29.3
6. Mortgage guaranty.....								
8. Ocean marine.....								
9. Inland marine.....	.30,027	.148,022	.30,027	.148,022	.31,194	.36,539	.142,677	.30.7
10. Financial guaranty.....								
11.1 Medical professional liability - occurrence.....								
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.....								
16. Workers' compensation.....		.35		.35	3,231	3,574	.(308)	
17.1 Other liability - occurrence.....	9,890	.65,627	9,890	.65,627	.195,117	.276,409	.(15,665)	.(5.1)
17.2 Other liability - claims-made.....								
17.3 Excess workers' compensation.....								
18.1 Products liability - occurrence.....		.1,271		.1,271	2,390	.972	2,689	.81.1
18.2 Products liability - claims-made.....								
19.1, 19.2 Private passenger auto liability.....	83,374,834	50,427,226	83,374,834	50,427,226	38,734,731	42,500,105	46,661,852	.65.6
19.3, 19.4 Commercial auto liability.....		.2,904,686		.2,904,686	.3,296,819	.3,826,981	.2,374,524	.45.9
21. Auto physical damage.....	41,660,884	32,530,542	41,660,884	32,530,542	(1,598,215)	(613,460)	31,545,787	.65.3
22. Aircraft (all perils).....	.4,098,778		.4,098,778					
23. Fidelity.....								
24. Surety.....								
26. Burglary and theft.....								
27. Boiler and machinery.....								
28. Credit.....								
29. International.....								
30. Warranty.....								
31. Reinsurance - nonproportional assumed property.....	XXX							
32. Reinsurance - nonproportional assumed liability.....	XXX							
33. Reinsurance - nonproportional assumed financial lines.....	XXX							
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0	.0	
35. TOTALS.....	.179,324,892	.106,001,915	.179,324,892	.106,001,915	.46,892,915	.51,160,721	.101,734,109	.69.0

DETAILS OF WRITE-INS

3401. ....					.0			.0
3402. ....					.0			.0
3403. ....					.0			.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	.0	.0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	404,468	399,067	404,468	399,067	156,837	(44,843)	156,837	354,224	106,223
2. Allied lines.....	32,373	7,544	32,373	7,544				7,544	1,614
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....	13,443,383	4,811,025	13,443,383	4,811,025	4,701,585	624,717	4,701,585	5,435,742	1,353,600
5. Commercial multiple peril.....		496,607		496,607		(66,469)		430,138	509,363
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....		9,673		9,673		21,521		31,194	2,370
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a)	0
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				(a)	0
16. Workers' compensation.....		3,231		3,231				3,231	132,467
17.1 Other liability - occurrence.....	2,083,956	130,089	2,083,956	130,089		65,028		195,117	
17.2 Other liability - claims-made.....				0				0	
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....		2,390		2,390				2,390	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	105,696,890	36,345,349	105,696,890	36,345,349	(19,905,852)	2,389,382	(19,905,852)	38,734,731	7,760,273
19.3, 19.4 Commercial auto liability.....		3,046,744		3,046,744		250,075		3,296,819	702,177
21. Auto physical damage.....	(6,894,726)	(3,520,784)	(6,894,726)	(3,520,784)	9,275,520	1,922,569	9,275,520	(1,598,215)	2,028,361
22. Aircraft (all perils).....	3,384,876		3,384,876		2,104,811		2,104,811	0	2
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....				0				0	
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX.			0	XXX.			0	
32. Reinsurance - nonproportional assumed liability.....	XXX.			0	XXX.			0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX.			0	XXX.			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	118,151,220	41,730,935	118,151,220	41,730,935	(3,667,099)	5,161,980	(3,667,099)	46,892,915	12,596,450

DETAILS OF WRITE-INS

3401.				0				0	
3402.				0				0	
3403.				0				0	
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

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

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	27,745,563			27,745,563
1.2 Reinsurance assumed.....	6,185,631			6,185,631
1.3 Reinsurance ceded.....	27,745,563			27,745,563
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	6,185,631	0	0	6,185,631
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		39,043,737		39,043,737
2.2 Reinsurance assumed, excluding contingent.....		24,044,456		24,044,456
2.3 Reinsurance ceded, excluding contingent.....		39,043,737		39,043,737
2.4 Contingent - direct.....		731,875		731,875
2.5 Contingent - reinsurance assumed.....		668,917		668,917
2.6 Contingent - reinsurance ceded.....		731,875		731,875
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	24,713,373	0	24,713,373
3. Allowances to manager and agents.....				0
4. Advertising.....	112	216,720		216,832
5. Boards, bureaus and associations.....	3,707	444,498		448,205
6. Surveys and underwriting reports.....	930	756,698		757,628
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	6,809,866	4,895,737		11,705,603
8.2 Payroll taxes.....	540,100	377,699		917,799
9. Employee relations and welfare.....	1,515,601	1,053,581		2,569,182
10. Insurance.....	62,163	39,616		101,779
11. Directors' fees.....	12,921	12,316		25,237
12. Travel and travel items.....	184,344	163,126		347,470
13. Rent and rent items.....	258,480	481,926		740,406
14. Equipment.....	221,494	197,946		419,440
15. Cost or depreciation of EDP equipment and software.....	683,060	603,708		1,286,768
16. Printing and stationery.....	111,393	141,498		252,891
17. Postage, telephone and telegraph, exchange and express.....	602,956	425,596		1,028,552
18. Legal and auditing.....	269,659	155,473		425,132
19. Totals (Lines 3 to 18).....	11,276,786	9,966,138	0	21,242,924
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		3,463,969		3,463,969
20.2 Insurance department licenses and fees.....	21,179	510,846	65	532,090
20.3 Gross guaranty association assessments.....		97,859		97,859
20.4 All other (excluding federal and foreign income and real estate).....	4,573	35,802	24,240	64,615
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	25,752	4,108,476	24,305	4,158,533
21. Real estate expenses.....			361,567	361,567
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	482,980	1,539,418	318,689	2,341,087
25. Total expenses incurred.....	17,971,149	40,327,405	704,561	(a) 59,003,115
26. Less unpaid expenses - current year.....	12,596,450	7,660,468		20,256,918
27. Add unpaid expenses - prior year.....	12,558,744	9,423,595		21,982,339
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	17,933,443	42,090,532	704,561	60,728,536

DETAILS OF WRITE-INS

2401. MANAGEMENT FEES.....	(172,074)	61,265	306,318	195,509
2402. COMPUTER SERVICES.....	442,427	1,052,820		1,495,247
2403. OTHER LICENSES AND FEES.....	212,627	425,333	12,371	650,331
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	482,980	1,539,418	318,689	2,341,087

(a) Includes management fees of \$....195,509 to affiliates and \$.....0 to non-affiliates.

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....	.514,845	.....504,370
1.1 Bonds exempt from U.S. tax.....	(a).....	2,655,259	.....2,556,309
1.2 Other bonds (unaffiliated).....	(a).....	6,234,432	.....6,086,674
1.3 Bonds of affiliates.....	(a).....		
2.1 Preferred stocks (unaffiliated).....	(b).....	.484,143	.....493,087
2.11 Preferred stocks of affiliates.....	(b).....		
2.2 Common stocks (unaffiliated).....			
2.21 Common stocks of affiliates.....			
3. Mortgage loans.....	(c).....		
4. Real estate.....	(d).....	.500,540	.....500,540
5. Contract loans.....	(e).....	.770	.....770
6. Cash, cash equivalents and short-term investments.....	(f).....		
7. Derivative instruments.....			
8. Other invested assets.....			
9. Aggregate write-ins for investment income.....		.549,911	.....549,911
10. Total gross investment income.....		10,939,900	.....10,691,661
11. Investment expenses.....	(g).....	.680,256	
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.24,305	
13. Interest expense.....	(h).....		
14. Depreciation on real estate and other invested assets.....	(i).....	.127,264	
15. Aggregate write-ins for deductions from investment income.....		.....0	
16. Total deductions (Lines 11 through 15).....		.....831,825	
17. Net investment income (Line 10 minus Line 16).....		.....9,859,836	

DETAILS OF WRITE-INS

0901. FAIR PLAN.....	.....37,022	.....37,022
0902. ANIPP.....	.....512,889	.....512,889
0903.....		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....549,911	.....549,911
1501.....		
1502.....		
1503.....		
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....0

- (a) Includes \$....720,011 accrual of discount less \$....675,519 amortization of premium and less \$....413,481 paid for accrued interest on purchases.
 (b) Includes \$....1,316 accrual of discount less \$....4,665 amortization of premium and less \$.....0 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 \$....500,540 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 \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$....704,561 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$....127,264 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....212,467		.....212,467		
1.1 Bonds exempt from U.S. tax.....	.....98,645		.....98,645		
1.2 Other bonds (unaffiliated).....	.....2,527,511		.....2,527,511	.....452,718	
1.3 Bonds of affiliates.....			.....0		
2.1 Preferred stocks (unaffiliated).....	.....(44,100)		.....(44,100)	.....(32,700)	
2.11 Preferred stocks of affiliates.....			.....0		
2.2 Common stocks (unaffiliated).....			.....0		
2.21 Common stocks of affiliates.....			.....0		
3. Mortgage loans.....			.....0		
4. Real estate.....			.....0		
5. Contract loans.....			.....0		
6. Cash, cash equivalents and short-term investments.....			.....0		
7. Derivative instruments.....			.....0		
8. Other invested assets.....			.....0		
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....2,794,523	.....0	.....2,794,523	.....420,018	.....0

DETAILS OF WRITE-INS

0901.....			.....0		
0902.....			.....0		
0903.....			.....0		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....	150,008	150,008	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	2,037,644	5,812,481	3,774,837
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	938,199	707,023	(231,176)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	1,975,290	2,233,362	258,072
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	5,101,141	8,902,874	3,801,733
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	5,101,141	8,902,874	3,801,733

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. PRE PAID RENT.....	5,200	5,200	0
2502. PRE PAID EXPENSES.....	274,089	274,089	0
2503. ARIZONA RENEWAL BUSINESS.....	1,696,001	1,954,073	258,072
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,975,290	2,233,362	258,072

NOTES TO FINANCIAL STATEMENTS**Note 1 - Summary of Significant Accounting Policies****A. Accounting Practices, Impact of NAIC/State Differences**

The accompanying financial statements of the American Commerce Insurance Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio. The NAIC Accounting Practices and Procedures manual, version effective January 1, 2001 (NAIC SAP), has been adopted as a component of prescribed or permitted practices by the State of Ohio. Certain prior year account balances have been reclassified to conform to the 2011 presentation.

B. Use of Estimates

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to 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 Policies

Premiums are recognized as income ratably over the terms of the related insurance policies. Unearned premiums reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct 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.

Net investment income earned consists primarily of interest, dividends and rent income less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rent income includes an imputed rent for the Company's occupancy of its own building. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write downs for impairments considered to be other than temporary.

In addition, the Company adheres to the following accounting policies:

- (1) Short-term investments are accounted for in the same manner as similar long-term investments in accordance with SSAP No. 2.
- (2) Bonds, excluding loan-backed and structured securities are accounted for in accordance with SSAP No. 26. Amortized cost is calculated using the scientific interest method. Bonds containing call provisions are amortized to either the call or maturity value date whichever produces the lowest asset value (yield to worst). Investment grade bonds are stated at amortized cost. Non-investment grade bonds are stated at the lower of amortized cost or fair value. Bonds whose decline has been determined to be other than temporary are written down to a new cost basis and the write down amount is accounted for as a realized loss.
- (3) Common stocks of unaffiliated entities are stated at fair value and accounted for in accordance SSAP No. 30.
- (4) Preferred stocks of unaffiliated entities are accounted for in accordance with SSAP No. 32. Investment grade redeemable preferred stocks are stated at amortized cost. Investment grade perpetual preferred stocks are stated at fair value. Non-Investment grade preferred stocks are stated at the lower of book value or fair value. Preferred stocks whose decline has been determined to be other than temporary are written down to a new cost basis and the write down amount is accounted for as a realized loss.
- (5) The Company does not have mortgage loans.
- (6) Loan-backed and Structured Securities are accounted for in accordance with SSAP No. 43R. Amortized cost is calculated retrospectively using the scientific interest method. The carrying value and NAIC Designation for non-agency loan-backed and structured securities is determined using a two-step NAIC process. Those bonds assigned a NAIC designation of 1 or 2 in the first step are stated at amortized cost. Those bonds assigned a 3 through 6 designation are stated at the lower of amortized cost or fair value. The NAIC designation assigned under the second step of the process is reported for these securities in Schedule D and is used in the risk-based capital calculation. Investment grade bonds not subject to the above prescribed process are stated at amortized cost and the non-investment grade bonds are stated at the lower of amortized cost or fair value. Bonds whose decline has been determined to be other than temporary are written down to a new cost basis and the write down amount is accounted for as a realized loss.
- (7) The Company does not have investments in Subsidiary, Controlled and Affiliated Entities.
- (8) The Company does not have investments in Joint Ventures, Partnerships or Limited Liability Companies.
- (9) The Company does not have derivatives.
- (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. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined. On a direct basis, the Company has environmental and mold claims. On a pooled basis, the Company shares claims for lead paint, oil and mold as well.
- (12) The company has a written capitalization policy for purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- (13) The company does not have any pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Corrections of Errors**A. Accounting Changes Other than Codification and Corrections of Errors**

None

NOTES TO FINANCIAL STATEMENTS**Note 3 - Business Combinations and Goodwill**

A. Statutory Purchase Method

None

B. Statutory Merger

None

C. Writedowns for Impairments of Investments in Affiliates

None

Note 4 - Discontinued Operations

A. None

Note 5 - Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

None

B. Troubled Debt Restructuring for Creditors

None

C. Reverse Mortgages

None

D. Loan-backed Securities

1 Prepayment assumptions are obtained from broker-dealer surveys, internal estimates or Bloomberg.

2 During 2011 the company recognized \$0 in Other-Than-Temporary Impairment on Loan-Backed and Structured Securities

	(7) Amortized Cost Before OTTI	(8) OTTI Recognized in Loss	(9) Fair Value (7) - (8)
OTTI Recognized 1st Qtr			
a. Intent to Sell:	\$0	\$0	\$0
b. Inability or lack intent to hold:	\$0	\$0	\$0
c. Total OTTI 1st Qtr	\$0	\$0	\$0
OTTI Recognized 2nd Qtr			
d. Intent to Sell:	\$0	\$0	\$0
e. Inability or lack intent to hold:	\$0	\$0	\$0
f. Total OTTI 2nd Qtr	\$0	\$0	\$0
OTTI Recognized 3rd Qtr			
g. Intent to Sell:	\$0	\$0	\$0
h. Inability or lack intent to hold:	\$0	\$0	\$0
i. Total OTTI 3rd Qtr	\$0	\$0	\$0
OTTI Recognized 4th Qtr			
j. Intent to Sell:	\$0	\$0	\$0
k. Inability or lack intent to hold:	\$0	\$0	\$0
l. Total OTTI 4th Qtr	\$0	\$0	\$0
m. Totals for 2011	\$0	\$0	\$0

3 Currently held loan-backed and structured securities with recognized OTTI:

CUSIP	Book/Adj Carrying Amortized Cost Before Current Period OTTI	Present Value of Projected Cashflows	OTTI Recognized	Amortized Cost After OTTI	Fair Value at time of OTTI	Date of Financial Stmt Where Reported
59024KAG8 MERRIL LYNCH ALT NTE	1,460,175	200,000	1,260,175	200,000	201,152	12/31/2009
TOTALS			\$1,260,175			

NOTES TO FINANCIAL STATEMENTS**4 Impaired loan-backed and structured securities for which an OTTI has not been recognized:**

A1. The aggregate amount of unrealized losses - Less than 12 months:	\$113,808
A2. The aggregate amount of unrealized losses - 12 months or longer:	\$904,539
B1. The aggregate related fair value of securities with unrealized losses - Less than 12 months:	\$8,133,847
B2. The aggregate related fair value of securities with unrealized losses - 12 months or longer:	\$1,433,431

5 The general categories of information considered in reaching the conclusion that the impairments are not other-than temporary include:

- . Probability of collecting all amounts due according to the contractual terms in effect at the time of acquisition.
- . Intent to sell: Is there intent to sell the security before recovery.
- . The length of time and the extent to which fair value has been less than amortized cost.
- . The financial conditions and short term prospects of the issuer.
- . Intent and Ability to hold: Is there a lack of ability to hold, where cash and working capital requirements and contractual or regulatory obligations indicate that the investment may need to be sold before the forecasted recovery occurs.

E. Repurchase Agreements - New Disclosures

None

F. Writedowns for Impairments of Real Estate/Real Estate Sales and Retail Land Sales

None

G. Low Income Housing Tax Credits

None

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

None

Note 7 - Investment Income**A. Accrued Investment Income**

Investment income due and accrued with amounts over 90 days past due are non-admitted assets and excluded from Surplus.

B. Amounts Non-admitted

The total amount excluded at 12/31/11 was \$150,008.

Note 8 - Derivative Instruments

None

NOTES TO FINANCIAL STATEMENTS**Note 9 Income Taxes**

9A.	12/31/2011			12/31/2010			CHANGE		
	ORDINARY	CAPITAL	TOTAL	ORDINARY	CAPITAL	TOTAL	ORDINARY	CAPITAL	TOTAL
The Components of the net deferred tax asset/(liability) at 12/31 are as follows:									
1a. Gross deferred tax assets	6,459,398	2,398,069	8,857,467	5,764,174	5,407,408	11,171,582	695,224	(3,009,339)	(2,314,115)
1b. Statutory valuation allowance adjustment	-	-	-	-	1,700,000	1,700,000	-	(1,700,000)	(1,700,000)
1c. Adjusted gross deferred tax assets (1a-1b)	6,459,398	2,398,069	8,857,467	5,764,174	3,707,408	9,471,582	695,224	(1,309,339)	(614,115)
1d. Deferred tax liabilities	695,639	214	695,853	256,514	2,508	259,022	439,125	(2,294)	436,831
1e. Subtotal (net deferred tax assets) (1c-1d)	5,763,759	2,397,855	8,161,614	5,507,660	3,704,900	9,212,560	256,099	(1,307,045)	(1,050,946)
1f. Deferred tax assets nonadmitted		2,037,644	2,037,644	407,581	3,704,900	4,112,481	(407,581)	(1,667,256)	(2,074,837)
1g. Net admitted deferred tax assets (1e-1f)	5,763,759	360,211	6,123,970	5,100,079	-	5,100,079	663,680	360,211	1,023,891
Admission calculation components - SSAP 10R, paragraphs 10.a., 10.b., 10.c.									
4a. SSAP 10R, paragraph 10.a.	1,760,654	-	1,760,654	4,339,119	-	4,339,119	(2,578,465)	-	(2,578,465)
4b. SSAP 10R, paragraph 10.b. (the lesser of paragraph 10.b.i and 10.b.ii, below)	3,565,779	95,179	3,660,958	-	-	-	3,565,779	95,179	3,660,958
4c. SSAP 10R, paragraph 10.b.i	3,565,779	95,179	3,660,958	-	-	-	3,565,779	95,179	3,660,958
4d. SSAP 10R, paragraph 10.b.ii	XXX	XXX	13,141,417	XXX	XXX	13,567,302	XXX	XXX	(425,885)
4e. SSAP 10R, paragraph 10.c	695,639	214	695,853	256,514	2,508	259,022	439,125	(2,294)	436,831
4f. Total (4a+4b+4e)	6,022,072	95,393	6,117,465	4,595,633	2,508	4,598,141	1,426,439	92,885	1,519,324
Admission calculation components - SSAP 10R, paragraph 10.e.									
4g. SSAP 10R, paragraph 10.e.i	1,760,654	-	1,760,654	5,100,080	-	5,100,080	(3,339,426)	-	(3,339,426)
4h. SSAP 10R, paragraph 10.e.ii (the lesser of paragraph 10.e.ii.a and 10.e.ii.b, below)	4,254,007	360,211	4,614,218	259,022	-	259,022	3,994,985	360,211	4,355,196
4i. SSAP 10R, paragraph 10.e.ii.a	4,254,007	360,211	4,614,218	259,022	-	259,022	3,994,985	360,211	4,355,196
4j. SSAP 10R, paragraph 10.e.ii.b	XXX	XXX	19,712,125	XXX	XXX	20,350,953	XXX	XXX	(638,828)
4k. SSAP 10R, paragraph 10.e.iii	444,737	214	444,951	256,514	2,508	259,022	188,223	(2,294)	185,929
4l. Total (4g+4h+4k)	6,459,398	360,425	6,819,823	5,615,616	2,508	5,618,124	843,782	357,917	1,201,699
Used in SSAP 10R, paragraph 10.d.									
4m. Total adjusted capital	XXX	XXX	127,786,107	XXX	XXX	136,161,032	XXX	XXX	(8,374,925)
4n. Authorized Control Level	XXX	XXX	7,891,853	XXX	XXX	7,367,407	XXX	XXX	524,446
Impact of Tax Planning Strategies									
5a. Adjusted gross DTAs (% of total adjusted gross DTAs)	-	11.1%	3.0%	-	-	-	0.0%	11.1%	3.0%
5b. Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	-	73.6%	4.3%	-	-	-	0.0%	73.6%	4.3%
SSAP 10R, paragraphs 10.a, 10.b, and 10.c.									
6a. Admitted deferred tax assets	6,022,072	95,393	6,117,465	4,595,633	2,508	4,598,141	1,426,439	92,885	1,519,324
6b. Admitted assets	XXX	XXX	366,318,037	XXX	XXX	359,767,874	XXX	XXX	6,550,163
6c. Adjusted statutory surplus (as reported on the statutory balance sheet for prior qtr)	XXX	XXX	131,414,165	XXX	XXX	135,673,023	XXX	XXX	(8,589,274)
6d. Total adjusted capital from DTAs	XXX	XXX	127,083,749	XXX	XXX	135,141,049	XXX	XXX	(8,057,300)
Increases due to SSAP10R, paragraph 10.e.									
6e. Admitted deferred tax assets	437,326	265,032	702,358	1,019,983	-	1,019,983	(582,657)	265,032	(317,625)
6f. Admitted Assets	437,326	265,032	702,358	1,019,983	-	1,019,983	(582,657)	265,032	(317,625)
6g. Admitted surplus	437,326	265,032	702,358	1,019,983	-	1,019,983	(582,657)	265,032	(317,625)

NOTES TO FINANCIAL STATEMENTS**9C. Current Income Tax**

	12/31/2011	12/31/2010	CHANGE
1a. Federal	(756,476)	3,348,629	(4,105,105)
1b. Foreign		-	-
1c. Subtotal	(756,476)	3,348,629	(4,105,105)
1d. Federal income tax on net capital gains	753,299	152,932	600,367
1e. Utilization of capital loss carry-forwards	(1,637,604)	(152,932)	(1,484,672)
1f. Other		-	-
1g. Federal and foreign income taxes incurred	(1,640,781)	3,348,629	(4,989,410)

9C. Deferred Tax Assets**Ordinary**

9C	2a1 Discounting of Unpaid Losses	1,278,268	1,470,725	(192,457)
	2a2 Unearned premium reserve	2,442,195	2,516,371	(74,176)
	2a3 Policyholder reserve		-	-
	2a4 Investments		-	-
	2a5 Deferred acquisition costs		-	-
	2a6. Policyholder dividends accrual		-	-
	2a7. Fixed Assets		-	-
	2a8. Compensation and benefits accrual	316,461	361,032	(44,571)
	2a9. Pension Accrual		-	-
	2a10. Receivables - nonadmitted		-	-
	2a11. Net operating loss carry-forward		-	-
	2a12. Tax Credit carry-forward	760,639	-	760,639
	2a13. Other	1,661,835	1,416,046	245,789
	2a99. Subtotal	6,459,398	5,764,174	695,224
	9C2b. Statutory valuation allowance adjustment		-	-
	9C2c. Nonadmitted		407,581	(407,581)
	9C2d. Admitted ordinary deferred tax assets (2a99-2b-2c)	6,459,398	5,356,593	1,102,805

Capital

9C	2e1. Investments	2,398,069	2,725,603	(327,534)
	2e2. Net capital loss carryforward		2,681,805	(2,681,805)
	2e3. Real estate		-	-
	2e4. Other		-	-
	2e99. Subtotal	2,398,069	5,407,408	(3,009,339)

9C	2f. Statutory valuation allowance adjustment		1,700,000	(1,700,000)
	2g. Nonadmitted	2,037,644	3,704,900	(1,667,256)
	2h. Admitted capital deferred tax assets (2E99-2f-2g)		360,425	2,508
	2i. Admitted deferred tax assets (2d+2h)	6,819,823	5,359,101	1,460,722

Deferred Tax Liabilities -

Ordinary

9C	3a1. Investments	90,982	89,354	1,628
	3a2. Fixed Assets		-	-
	3a3. Deferred and uncollected premium		-	-
	3a4. Policyholder reserves		-	-
	3a5. Other	604,657	167,160	437,497
	3a99. Subtotal	695,639	256,514	439,125

Capital

9C	3b1. Investments	214	2,508	(2,294)
	3b2. Real estate		-	-
	3b3. Other		-	-
	3b99. Subtotal	214	2,508	(2,294)

9C	3c. Deferred tax liabilities (3a99+3b99)	695,853	259,022	436,831
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9C	4. Net deferred tax assets/liabilities (2i-3c)	6,123,970	5,100,079	1,023,891
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NOTES TO FINANCIAL STATEMENTS**9C. Current Tax and Change in Deferred Tax (continued)**

The change in net deferred income taxes is comprised of the following:

	December 31, 2011	December 31, 2010	Change
Total deferred tax assets	\$8,857,467	\$11,171,582	(\$2,314,115)
Total deferred tax liabilities	695,853	259,022	436,831
Net deferred tax asset	\$8,161,614	\$10,912,560	(2,750,946)
Tax effect of unrealized gains			147,006
Change in net deferred income tax			(\$2,603,940)

Gross deferred tax assets in the admissibility test were adjusted by \$0 at 12/31/2011 and \$1,700,000 at 12/31/2010 because certain assets that are capital in nature were not expected to be realized in future tax returns

9D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the effective income tax rate are as follows:

	December 31, 2011	Effective Tax Rate
Provision computed at statutory rate	\$198,536	35.00%
Tax Exempt Interest	(757,448)	-133.53%
Dividend Received Deduction	(34,791)	-6.13%
Nondeductible expenses	33,624	5.93%
True-ups and other adjustments to tax	28,691	5.06%
Tax on Change in Non-admitted Assets	9,413	1.66%
Other Surplus Adjustments	438,947	77.38%
Totals	(\$83,028)	-14.64%

9D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate (continued)

	December 31, 2011	Effective Tax Rate
Federal and foreign income taxes incurred	(\$756,476)	-133.36%
Current taxes on realized capital gains	(884,305)	-155.89%
Change in net deferred income taxes	2,603,940	459.05%
True-up to deferred taxes	(1,046,187)	-184.43%
Total statutory income taxes	(\$83,028)	-14.64%

NOTES TO FINANCIAL STATEMENTS

9E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2011 the Company has no net operating or capital losses available to offset future taxable income.

The Company also has \$760,639 of Alternative Minimum Tax (AMT) Credits available to offset future tax.

- (a) AMT Credits never expire. The Company's remaining credits were generated as follows:

Year Generated	Carryover Remaining
2009*	\$ 760,639

* Amended return resulting from net operating loss carryback

- (2) The following is income tax expense for 2011 and 2010 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2011	\$ -	\$ -	\$ -
2010	\$ 1,760,654	\$ -	\$ 1,760,654
	<u>\$ 1,760,654</u>	<u>\$ -</u>	<u>\$ 1,760,654</u>

- (3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

- 9F. (1a) For the period ending December 31, 2011, The Company will file as a part of the consolidated federal income tax return with its ultimate U.S. parent, Mapfre USA Corp and its subsidiaries, The Commerce Insurance Company, Citation Insurance Company, State-Wide Insurance Company, Commerce West Insurance Company, Mapfre Insurance Company, Mapfre Insurance Company of Florida, ACIC Holding Company, Inc., Bay Finance Holding Company, and Mapfre Intermediaries, Inc. (said parties constituting an "Affiliated Group," as defined in and for the purposes of IRC §1504(a))
- (1b) Each affiliate is jointly and severally liable for federal income taxes of the Affiliated Group, and has entered into a written tax sharing agreement. Under this agreement, allocation is made primarily on a separate return basis, with current payment for losses and other tax items utilized in the consolidated return.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationship

All outstanding shares of the Company are owned by ACIC Holding Company, Inc. (AHC), an insurance holding company domiciled in Rhode Island. Ninety five percent (95%) of the common stock of AHC is owned by MAPFRE U.S.A. Corp. (MUSA) MAPFRE U.S.A. Corp was previously known as Commerce Group, Inc. (CGI). CGI changed its name to MAPFRE U.S.A. Corp on January 1, 2010. The remaining five percent (5%) of the common stock is owned by AAA Southern New England (AAA SNE).

B. Detail of Transaction Greater than 1/2% of Admitted Assets

The Company declared a common stock dividend of \$13,616,103 and \$13,381,555 to its parent company in December of 2011 and 2010, respectively.

C. Change in Terms of Intercompany Arrangements

None

D. Amounts Due To or from Related Parties

	2011	2010
	Due From (To)	
Commerce Insurance Company	\$ (3,561,554)	\$ 8,688,206
Commerce West Insurance Company	348,204	(1,832,788)
American Commerce Holding Company	(13,616,103)	-
State-Wide Insurance Company	(337,881)	(2,309,712)
MAPFRE Insurance Company of Florida	(65,699)	29,984
MAPFRE Insurance Company	110,997	6,924
	<u>\$ (17,122,036)</u>	<u>\$ 4,582,614</u>

NOTES TO FINANCIAL STATEMENTS**E. Guarantees or Contingencies for Related Parties**

None

F. Management, Service Contracts, Cost Sharing Arrangements

The "Management Cost Allocation Agreement" provides that the Company is charged or reimbursed for services rendered by the Company or its insurance affiliates and entails 1) investment related and 2) non-investment related services. Costs pertaining to investment related services are actual costs borne by the Company which, per agreement, were determined to be the total rate of 15 basis points per annum times the investment balance at each regular calendar quarter. The non-investment related charges are costs borne by the Company and or its affiliates for functions supporting the affiliated companies. The fee shall be based upon recorded time spent by the Company and its affiliates in supporting the affiliated companies.

G. Nature of Relationships that Could Affect Operations

The outstanding shares of the Company are 100% owned by AHC and AHC is 5% owned by AAA of Southern New England, which is a producing agent of the Company.

H. Amount Deducted for Investment in Upstream Company

None

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

None

J. Writedown for Impairments of Investments in Affiliates

None

K. Foreign Insurance Subsidiary Valued Using CARVM

None

L. Downstream Holding Company Valued Using Look-Through Method

None

Note 11 - Debt**A. Amount, Interest, Maturities, Collateral, Covenants**

None

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**A. Defined Benefit Plans**

None

B. Defined Contribution Plans

The Company's ultimate parent company, MUSA, sponsors a 401(k) retirement plan feature for which substantially all employees are eligible. See Note 12D.

C. Multiemployer Plans

None

D. Consolidated/Holding Company Plans

In 2009, MUSA's Board of Directors extended its Incentive Award (IA) program to include additional officers and management personnel of subsidiary companies. IAs entitles recipients to cash payments over three years based upon MUSA's results. During 2011 and 2010, 355,183 and 360,739 units, respectively, were issued to American Commerce officers and management personnel, resulting in direct expense of \$501,000 and \$669,000 of expense during 2011 and 2010 respectively. The direct expense differs from the pooled expense for each applicable company.

In December 2008, CGI offered certain officers of subsidiary companies awards under the Supplemental Officers Incentive Compensation Agreement. Payments under this plan were based upon MUSA's reported IFRS net earnings, with 50% payments made in each of March 2010 and 2011. There was no expense related to this plan in either 2011 or 2010 and the final payment was made in March, 2011.

Eligible employees of the Company may participate in a Company-sponsored 401(k) retirement plan. This 401(k) plan includes a matching contribution from the Company of 50% of the first 6% of eligible compensation contributed by the participant to the Plan. In addition to the matching contribution, profit sharing contributions shall be made by the Company with respect to each Plan year in an amount equal to 3% of each eligible participant's covered compensation (or in such different amount as may be determined by the Company).

E. Postemployment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement.

F. Impact of Medicare Modernization Act on Postretirement Benefits

None

NOTES TO FINANCIAL STATEMENTS**Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations****A. Outstanding Shares**

The Company has 1,000,000 common stock shares authorized, 107,538 shares issued and outstanding. AHC owns 100% of the Company. All shares are Class A.

B. Dividend Rate of Preferred Stock

The Company has no preferred stock outstanding.

C., D, E and F. Dividend Restrictions

The maximum amount of dividends that can be paid by State of Ohio insurance companies to shareholders or policyholders without prior approval of the Insurance Commissioner is subject to restrictions. Without prior approval from the commissioner, dividends can not exceed the greatest of 10% of surplus, or net income for the 12 month period ending the 31st day of December.

The Company declared a common stock dividend of \$13,616,103 and \$13,381,555 to its parent company in December of 2011 and 2010, respectively.

Payment for 2011 declaration was made on January 6, 2012. The dividend was fully accrued at December 31, 2011.

Payment for 2010 declaration was made on December 30, 2010.

The total amount of dividends charged to unassigned funds in 2011 was \$13,616,103.

G. Multiple Surplus Advances

There are no restrictions on unassigned surplus.

H. Company Stock Held for Special Purposes

The Company did not hold any stock for special purposes.

I. Changes in Special Surplus funds

None

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by each item below follows:

(1) Unrealized gains (losses):	\$273,013
(2) Non-admitted asset value:	\$3,801,733
(3) Separate account balances:	NONE
(4) Asset valuation reserves:	NONE
(5) Provision for reinsurance:	NONE

K. Surplus Notes

The Company did not issue any surplus debentures or similar obligations.

L and M. Impact of Quasi-reorganizations

None

Note 14 - Contingencies**A (1) Contingent Commitments**

None

A(2) Information concerning guarantees**a) Nature of guarantee**

None

NOTES TO FINANCIAL STATEMENTS

b) Potential future payments

None

c) Recourse provisions

None

d) Carrying amount of liability for guarantor's obligations

None

A(3) Aggregate compilation of guarantee obligations

None

B. Assessments

The Company is subject to assessments by the states in which it writes business. These amounts are expensed when received. The Company anticipates that there will be additional assessments from time to time relating to various insolvencies.

C. Gain Contingencies

None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses

Company had two claims in suit resulting in a paid losses of \$825,000 in 2011 and one claim in suit resulting in a paid loss of \$309 in 2010.

E. Product Warranties

None

F. All Other Contingencies

The Company is a defendant in various legal actions arising from the normal course of business. These proceedings are considered to be ordinary to operations or without foundation in fact. Management is of the opinion that these actions will not have a material adverse effect on the financial statements of the Company.

Note 15 - Leases

A. Lessee Leasing Arrangements

In 2010, ACIC entered into a lease for a branch location in Carmel, Indiana. The lease, effective February 2011, is for a five year term expiring January, 2016. In addition to the minimum lease payment, ACIC is required to pay its pro rata share of the building's operating expenses, as defined. Rent expense for 2011 was \$32,000.

At December 31, 2011 future minimum lease payments under non-cancelable operating leases are as follows:

Year	Minimum Rent
2012	\$ 35,000
2013	36,000
2014	37,000
2015	37,000
2016	3,000
	<u>148,000</u>

B. Lessor Leasing Arrangements

None

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk

A. Face or Contracts Amounts

None

B. Nature and Terms

None

C. Exposure to Credit Related Losses

NOTES TO FINANCIAL STATEMENTS

None

D. Collateral Policy

None

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers or Receivables Reported as Sales

None

B. Transfers and Servicing of Financial Assets

None

C. Wash Sales

None

Note 18 - Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

None

B. Administrative Services Contract (ASC) Plans

None

C. Medicare or Similarly Structured Cost Based Reimbursement Contracts

None

Note 19 - Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators

A. None

Note 20 -Fair Value Measurement**A1. Summary of Financial Assets Measured and Reported at Fair Value at 12/31/11**

Description	Level 1	Level 2	Level 3	TOTAL
Preferred Stock	\$ -	\$ 3,413,900	\$ -	\$ 3,413,900
Bonds	-	876,793	-	876,793
Common Stock	-	-	-	-
TOTALS	\$ -	\$ 4,290,693	\$ -	\$ 4,290,693

A2 Fair Value Measurement in Level 3 of the Fair Value Hierarchy.

Of the Financial Assets measured and reported at Fair Value. The company had \$392,179 categorized as Level 3 in the Fair Value Hierarchy at 12/31/10 and \$0 at 12/31/11.

Description	Beginning Balance at 1/1/2011	Transfers into Level 3	Transfers out of Level 3	Total gains & (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2011
Preferred Stock										
Bonds	392,179									
Common Stock										
TOTALS	\$ 392,179	\$ -	\$ -	\$ 28,959	\$ 108,644	\$ -	\$ -	\$ -	\$ (529,782)	\$ -

A3 The company's policy is to recognize "transfers into" and "transfers out of" the Fair Value Hierarchy Levels on the actual date of the event or change in circumstances that caused the transfer.

A4 Financial Assets included in Level 1 of the Fair Value Hierarchy include US Treasury securities and exchange traded common stock where prices are obtained directly from active markets.

Financial Assets included in Level 2 of the Fair Value Hierarchy are securities priced by the company's custodial bank and based on observable market data.

Financial Assets included in Level 3 of the Fair Value Hierarchy are securities priced utilizing broker quotes or carried at Net Asset Value.

A5 The company does not hold derivative assets or liabilities.

C. Other Fair Value Disclosures

Not Applicable

D. Reasons Not Practical to Estimate Fair Values

Not Applicable

Note 21 - Other Items

A. Extraordinary Items

In 2011 and 2010, State Wide Insurance Company (SWIC) and American Commerce Insurance Company (ACIC) entered into agreements with unaffiliated insurance companies for the purpose of the sale of "Youthful Male Operator Credits" (Class Credits) that can be used to reduce New York Automobile Insurance Plan (NYAIP) quota share obligations. These credits were derived from voluntary business written in 2010 and 2009 and applicable to the 2012 and 2011, respectively, quota obligations. The purchase prices of the credits derived from voluntary business written in 2010 and 2009 are listed below.

NOTES TO FINANCIAL STATEMENTS

The total sale amounts for the LAD Credits are:

	2011	2010
ACIC	\$ 1,407,787	\$ 1,245,433
SWIC	495,552	360,000
	<hr/> <u>\$ 1,903,339</u>	<hr/> <u>\$ 1,605,433</u>

The total amount of the sale was recorded as a credit to Underwriting Expenses (Underwriting Income) in ACIC and SWIC and pooled according to the Intercompany Pooling Agreement. See Note 26A for more information regarding the pooling agreement.

	2011	2010
Commerce Insurance Company	75.0%	\$1,427,504
Citation Insurance Company	8.6%	163,687
American Commerce Insurance Company	8.1%	154,170
Commerce West Insurance Company	3.6%	68,520
State Wide Insurance Company	2.7%	51,390
MAPFRE Insurance Company of Florida	2.0%	38,068
	<hr/> <u>100.0%</u>	<hr/> <u>\$1,903,339</u>
		<hr/> <u>\$1,605,433</u>

The amount is recorded in each company's Annual Statement on Page 4 column 5 as prescribed by the New York Insurance Circular Letter 1985-16 dated October 21, 1985.

B. Troubled Debt Restructuring for Debtors

None

C. Other Disclosures

Assets in the amount of \$5,541,265 and \$5,527,434 at December 31, 2011 and 2010 respectively, were on deposit with government authorities as required by state law.

D. Uncollectible Premiums Receivable

At December 31, 2011 and 2010, the Company had admitted assets of \$36,555,534 and \$39,141,309, respectively, in premiums receivable due from policyholders and agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition. The Company maintained an allowance for uncollectible premiums receivable of \$200,000 as of December 31, 2011 and 2010 respectively.

E. Business Interruptions Insurance Recoveries

None

F. State Transferable Tax Credits

None

G. Subprime Mortgage-Related Exposure

None

Note 22 - Events Subsequent

None

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverables

None

B. Reinsurance Recoverables in Dispute

None

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded and Protected Cells

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity
	Affiliates	\$ 74,468,343	\$ 0	\$ 149,160,939	\$ 0	(\$74,692,596)
All others	-	-	-	-	-	-
Total	<u>\$ 74,468,343</u>	<u>\$ -</u>	<u>\$ 149,160,939</u>	<u>\$ -</u>	<u>\$ (74,692,596)</u>	<u>\$ -</u>
Direct Unearned Premium Reserve -			\$ 149,160,939			

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

	Direct	Assumed	Ceded	Net
Contingent Commissions	\$ 714,535	\$ -	\$ -	\$ -
Sliding Scale Adjustments	-	-	-	-
Total	<u>\$ 714,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

G. Reinsurance Accounted for as a Deposit

None

H. Runoff Agreements

None

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company is a member company of American Nuclear Insurers (ANI). ANI is a voluntary, non-profit, unincorporated association of insurers through which members provide, on a several and not joint basis, property insurance protection and nuclear energy liability insurance protection. This protection covers hazards arising out of risks related to nuclear installations, operations or facilities. Membership is on a percentage participation basis with this percentage being applied through each pool in which the member participates. Members can increase their participation percentages at any time; however, this increase is only effective upon ANI Board of Directors approval. Members can also terminate or reduce their participation by giving written notice to the Association by June 30th of any calendar year with the effective date for the termination or reduction being December 31st of that year. Members may participate in the pool by being a direct writing member, a ceding member, an assuming member or any combination of the three.

B. Method Used to Record (Written or Earned)

American Commerce participates as a direct writing member. The reserve for retrospective premiums supplied by ANI typically represents 70% and 76% of the written premium. This reserve represents the portion of premiums that are withheld by ANI to cover all future paid losses and expenses.

The Company previously recorded this by adjusting the unearned premium reserve and then recording the ANI portion as Reserve for Retrospective Premium as a write-in liability on the balance sheet. Beginning in the second quarter of 2008, it was decided to record this adjustment as a separate segment of the unearned premium reserve.

C. Amount and Percent of Net Retrospective Premiums

None

Calculation of Non-admitted Accrued Retrospective Premiums

None

NOTES TO FINANCIAL STATEMENTS**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses****A. Reasons for Changes in Prior Year Incurred**

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$394,743 during the current year. The redundancy of \$394,743 is approximately 0.62 % of the unpaid losses and LAE of \$63,719,465 as of the prior year end. The favorable development is due primarily to lower than anticipated losses related to personal automobile liability. The \$394,743 redundancy is the result of the pooled results and not the Company on a stand alone basis.

Note 26 - Intercompany Pooling Arrangements**A. Companies, Percentages, Lines of Business, Non-Affiliated Reinsurance, Right of Direct Recovery and Sharing of Schedule F Penalty and Write-offs and Amounts Due to/from Lead Entity Participants.**

The Company and its insurance affiliates adopted an inter-company reinsurance pooling agreement in which the companies share underwriting profit and losses in proportion to the pool participation percentages. The pooling agreement permits all companies to rely on the capacity of the entire pool rather than on their own capital and surplus.

The pool participation percentages reflect the ratio of each subsidiary's policyholders' surplus to the aggregate policyholders' surplus. The percentages follow:

Company	NAIC Code	Pooling Percentage
The lead company The Commerce Insurance Company	34754	75.00%
Affiliate company Citation Insurance Company	40274	8.60%
Affiliate company American Commerce Insurance Company	19941	8.10%
Affiliate company Commerce West Insurance Company	13161	3.60%
Affiliate company State-Wide Insurance Company	25275	2.70%
Affiliate company MAPFRE Insurance Company of Florida	34932	2.00%

Due to NAIC practices and procedures, the historical paid losses for Schedule P have been restated to the current pooled percentages. All lines of business that are written by all the companies are subject to intercompany pooling.

Commerce Insurance Company, as the lead company, assumes the direct business of its affiliates, including State Wide Insurance Company. All external reinsurance, in the form of catastrophe, quota share, facultative and excess of loss contracts, are ceded to the external reinsurers by Commerce Insurance Company under the terms of the reinsurance contracts. Commerce then cedes the net business after external reinsurance back to its affiliates at the stated pooled participation percentages.

Effective January 1, 2012 the pooling agreement will be expanded to include Affiliate Company MAPFRE Insurance Company of New Jersey. NAIC Code 23876. The pooling percentages will be revised to reflect the ratio of each subsidiary's policyholders' surplus to the aggregate policyholders' surplus at June 30, 2011. The resulting revised percentages will be as follows:

Company	NAIC Code	Pooling Percentage
The lead company The Commerce Insurance Company	34754	71.20%
Affiliate company Citation Insurance Company	40274	7.40%
Affiliate company American Commerce Insurance Company	19941	9.10%
Affiliate company Commerce West Insurance Company	13161	4.60%
Affiliate company State-Wide Insurance Company	25275	3.90%
Affiliate company MAPFRE Insurance Company of Florida	34932	2.10%
Affiliate company MAPFRE Insurance Company of New Jersey	23876	1.70%

Note 27 - Structured Settlements**A. Reserves Released Due to the Purchase of Annuities**

None

B. Annuity Interest with Balances Due Greater than 1% of Policyholders' Surplus

None

Note 28 - Health Care Receivables

None

Note 29 - Participating Policies

Not Applicable

Note 30 - Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and recorded a reserve of \$1,511,000 for its homeowner's business. This evaluation was completed on February 22, 2012. The reserve is recorded in the aggregate write-in for liabilities and the expense is recorded in the aggregate write-in for underwriting deductions. The Company anticipates investment income as a factor in the premium deficiency calculation.

Note 31 - High Deductibles

None

NOTES TO FINANCIAL STATEMENTS**Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Not Applicable

Note 33 - Asbestos/Environmental Reserves

A., B. and C.

None

D. Five-Year Rollforward of Environmental Reserves, Direct, Assumed and Net

	2007	2008	2009	2010	2011
Environmental, Direct					
a. Beg Reserves incl case, bulk, IBNR & LAE	\$ 209,403	\$ 49,849	\$ 41,584	\$ 139,120	\$ 168,950
b. Loss & LAE Incurred	(71,938)	286,181	511,660	371,604	251,559
c. Calendar year payments for loss & LAE	87,616	294,446	414,124	341,774	377,075
d. End Reserves incl case, bulk, IBNR & LAE	<u>\$ 49,849</u>	<u>\$ 41,584</u>	<u>\$ 139,120</u>	<u>\$ 168,950</u>	<u>\$ 43,434</u>
Environmental, Assumed					
a. Beg Reserves incl case, bulk, IBNR & LAE	\$ 196,104	\$ 218,034	\$ 218,729	\$ 316,721	\$ 214,171
b. Loss & LAE Incurred	280,720	206,396	401,512	263,483	431,432
c. Calendar year payments for loss & LAE	258,790	205,701	303,520	366,033	288,345
d. End Reserves incl case, bulk, IBNR & LAE	<u>\$ 218,034</u>	<u>\$ 218,729</u>	<u>\$ 316,721</u>	<u>\$ 214,171</u>	<u>\$ 357,258</u>
Environmental, Net					
a. Beg Reserves incl case, bulk, IBNR & LAE	\$ 196,104	\$ 218,034	\$ 218,729	\$ 316,721	\$ 214,171
b. Loss & LAE Incurred	280,720	206,396	401,512	263,483	431,432
c. Calendar year payments for loss & LAE	258,790	205,701	303,520	366,033	288,345
d. End Reserves incl case, bulk, IBNR & LAE	<u>\$ 218,034</u>	<u>\$ 218,729</u>	<u># \$ 316,721</u>	<u>\$ 214,171</u>	<u>\$ 357,258</u>

E. Environmental IBNR and Bulk Reserve, Direct, Assumed and Net

None

F. Environmental LAE Reserve, Direct, Assumed and Net

None

Note 34 - Subscriber Savings Accounts

None

Note 35 - Multiple Peril Crop Insurance

None

Note 36 - Financial Guaranty Insurance

A & B. Not Applicable

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] 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 [X] 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 [X]
- 2.2 If yes, date of change: 12/31/2008
- 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). 03/17/2010
- 3.4 By what department or departments? STATE OF 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 [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 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? Yes [] No [X] 4.12 renewals? Yes [] No [X]
- 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? Yes [] No [X] 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Co. Code | 3
State of Domicile |
|---------------------|--------------------|------------------------|
|---------------------|--------------------|------------------------|
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 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 [X] No []
- 7.2 If yes, 7.21 State the percentage of foreign control 95.000 % 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| SPAIN | CORPORATION |
- 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
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
OTS | 6
FDIC | 7
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 LLP, 5 TIMES SQUARE, NEW YORK NY 100036-6530
- 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 answer 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? WARREN EHRLICH F.C.A.S. ASSISTANT VICE PRESIDENT - OFFICER - ACTUARY, 11 GORE ROAD WEBSTER, MASS, 01571
- 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.

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
GENERAL INTERROGATORIES

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).

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 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

PART 1 - COMMON INTERROGATORIES - 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 or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - 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 | ..... |
| 21.22 Borrowed from others | ..... |
| 21.23 Leased from others | ..... |
| 21.24 Other | ..... |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- | | |
|--|-------|
| 22.21 Amount paid as losses or risk adjustment | ..... |
| 22.22 Amount paid as expenses | ..... |
| 22.23 Other amounts paid | ..... |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

PART 1 - COMMON INTERROGATORIES - 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). N/A
- 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.
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs.

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 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]
 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes [X] No []
 25.2 If yes, state the amount thereof at December 31 of the current year:
 25.21 Subject to repurchase agreements \$.....0
 25.22 Subject to reverse repurchase agreements \$.....0
 25.23 Subject to dollar repurchase agreements \$.....0
 25.24 Subject to reverse dollar repurchase agreements \$.....0
 25.25 Pledged as collateral \$.....0
 25.26 Placed under option agreements \$.....0
 25.27 Letter stock or securities restricted as to sale \$.....0
 25.28 On deposit with state or other regulatory body \$.....5,541,266
 25.29 Other \$.....0

- 25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
 27.2 If yes, state the amount thereof at December 31 of the current year:
 28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	One Wall Street, New York, NY

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

- 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 [] No [X]
 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
29.2999. TOTAL		0

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	173,889,211	178,926,760	5,037,549
30.2 Preferred stocks.....	6,193,655	6,039,300	(154,355)
30.3 Totals.....	180,082,866	184,966,060	4,883,194

- 30.4 Describe the sources or methods utilized in determining the fair values:
 Custodial Bank

- 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 **American Commerce Insurance Company**
PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....320,251

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	2
Name	Amount Paid
ISO SERVICES, INC	228,597

34.1 Amount of payments for legal expenses, if any? \$.....151,951

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	2
Name	Amount Paid
WILKIE FARR & GALLAGHER, LLP	50,675

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	2
Name	Amount Paid

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] 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.

 1.6 Individual policies:
 Most current three years:
 1.61 Total premium earned
 1.62 Total incurred claims
 1.63 Number of covered lives
 All years prior to most current three years:
 1.64 Total premium earned
 1.65 Total incurred claims
 1.66 Number of covered lives
 1.7 Group policies:
 Most current three years:
 1.71 Total premium earned
 1.72 Total incurred claims
 1.73 Number of covered lives
 All years prior to most current three years:
 1.74 Total premium earned
 1.75 Total incurred claims
 1.76 Number of covered lives

 2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....147,461,016	\$.....0
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....165,347,633	\$.....0
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

- 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 [] No [X]

 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.

 5. FOR RECIPROCAL EXCHANGES ONLY:
 5.1 Does the exchange appoint local agents? Yes [] No [X]

 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]
 5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

 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 [X]

 5.5 If yes, give full information:

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

NOT APPLICABLE

- 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:

The Company's estimated combined total loss for Commerce, Citation, ACIC, Mapfre Florida and State-Wide, on other than automobile business, was calculated by two catastrophe modeling companies, Risk Management Solutions Risklink (Version 11.0) and Applied Insurance Research Classic 2 (Version 12.0). The average estimated result from these two companies' analyses, excluding Florida, amounted to \$782 million for a 100 year loss event and \$1.6 billion for a "250 year loss event." Mapfre Florida's estimated combined total loss was calculated by two catastrophe modeling companies; Risk Management Solutions Risklink (V11.0) and Applied Insurance Research Classic 2 (V12.0). The average estimated results from these two companies' analyses amounted to \$55 million for a "100 year loss event" and \$85 million for a 250 year loss event.

- 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?

Effective July 1, 2011, The Company and affiliated companies placed two integrated reinsurance programs – one specifically for Mapfre Florida and one for the other companies with some Florida protection. The Florida program has three layers: (1st) \$15 million x \$10 million; (2nd) \$25 million x \$25 million; and (3rd) \$25 million x \$50 million. The other program has five layers: (1st) \$50 million x \$50 million; (2nd) \$150 million x \$100 million; (3rd) \$200 million x \$250 million; (4th) \$250 million x \$450 million; (5th) \$200 million x \$700 million. Various retention levels are used across each of the layers. The program does not cover comprehensive automobile; however, it does cover all Fair Plan-type participation in excess of reinsurance purchased by any of the Plans. The Company will have no additional reinsurance recoveries for a single event catastrophe in excess of a total loss of \$900 million, including Fair Plan type losses. Mapfre Florida will have no additional reinsurance recoveries for a single event catastrophe in excess of a total loss of \$75 million. Mapfre Florida is a participant in the intercompany pooling agreement; therefore, their net result would be substantially lower than the above figures.

The lines of business classified as property and covered under the new Catastrophe Reinsurance Program include fire, allied lines, homeowners, inland marine, special multi-peril and business owner policies. In addition, Personal and Commercial Physical Damage is covered for only those policies written by Mapfre Florida.

- 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 the 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 cap, an aggregate limit or any similar provisions)?

Yes [X] No []

.....1

- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.

Yes [] No [X]

- 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 [X]

- 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?

- 8.2 If yes, give full information:

.....

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 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 noncancelable 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 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 affiliate 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 [X] No []
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance 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 []
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting 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 assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|----------|
| 12.11 Unpaid losses | \$.....0 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$.....0 |
| | \$.....0 |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds:
- | | |
|----------------------------------|----------|
| 12.21 Letters of credit | \$.....0 |
| 12.22 Collateral and other funds | \$.....0 |
| | \$.....0 |
- 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 [] N/A [X]
- 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 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): \$.....2,000,000
- 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 [X] No []
- 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:1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
-
- 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 []
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No []
- 14.5 If the answer to 14.4 is no, please explain:
-

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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: _____

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]

Incurred 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-Part 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 account?

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 the funds administered as of the reporting date.

.....

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	206,292,482	210,201,875	191,215,009	163,141,977	170,997,573
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	111,047,034	111,913,916	102,135,072	96,975,487	101,686,430
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	100,389,872	93,095,860	75,078,112	59,253,620	59,051,874
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	417,729,388	415,211,651	368,428,193	319,371,084	331,735,877
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	77,457,235	74,935,279	71,343,845	75,367,795	86,615,743
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	50,741,852	48,431,779	45,438,059	46,877,160	50,309,295
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	22,069,317	20,566,562	19,157,147	17,160,799	16,928,211
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	150,268,404	143,933,620	135,939,051	139,405,754	153,853,249
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(13,928,477)	(3,498,603)	1,683,710	5,723,933	11,741,796
14. Net investment gain (loss) (Line 11).....	13,538,664	14,444,406	10,581,002	(1,618,310)	12,242,554
15. Total other income (Line 15).....	1,841,363	1,910,039	1,417,157	1,084,005	1,176,424
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	(756,476)	3,348,629	3,503,209	3,984,692	7,650,371
18. Net income (Line 20).....	2,208,026	9,507,213	10,178,660	1,204,936	17,510,403
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	367,020,395	360,787,857	361,005,514	348,631,852	387,941,826
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	36,555,534	39,141,309	35,925,981	17,673,414	14,512,651
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	239,234,288	224,626,825	227,189,962	209,259,186	242,294,749
22. Losses (Page 3, Line 1).....	46,892,915	51,160,721	51,320,182	56,142,454	59,120,128
23. Loss adjustment expenses (Page 3, Line 3).....	12,596,450	12,558,744	11,904,332	12,516,061	12,321,106
24. Unearned premiums (Page 3, Line 9).....	74,468,342	71,660,954	66,598,646	66,219,810	56,282,065
25. Capital paid up (Page 3, Lines 30 & 31).....	3,226,140	3,226,140	3,226,140	3,226,140	3,226,140
26. Surplus as regards policyholders (Page 3, Line 37).....	127,786,107	136,161,032	133,815,552	139,372,666	145,647,077
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(8,989,444)	(347,558)	(4,436,119)	9,980,164	34,295,934
Risk-Based Capital Analysis					
28. Total adjusted capital.....	127,786,107	136,161,032	133,815,552	139,372,666	145,647,077
29. Authorized control level risk-based capital.....	7,891,853	7,367,407	7,331,343	8,813,690	9,640,224
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	89.7	94.1	90.1	76.7	80.2
31. Stocks (Lines 2.1 & 2.2).....	3.2	1.8	6.7	8.9	15.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	1.0	0.9	0.6	0.8	0.6
34. Cash, cash equivalents and short-term investments (Line 5).....	6.1	3.3	2.6	13.7	3.6
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....			XXX	XXX	XXX
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
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).....	0.0				

Annual Statement for the year 2011 of the **American Commerce Insurance Company**
FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24).....	273,012	2,707,151	1,217,808	(1,746,199)	(3,159,062)
51. Dividends to stockholders (Line 35).....	(13,616,103)	(13,381,555)	(13,936,923)	.....	.....
52. Change in surplus as regards policyholders for the year (Line 38).....	(8,374,925)	2,345,480	(5,557,114)	(6,274,411)	14,120,277
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	136,783,569	123,389,566	106,519,337	102,303,955	83,881,571
54. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	76,407,434	67,881,046	57,835,950	58,972,967	54,687,609
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	72,135,804	46,730,509	39,336,621	42,198,983	28,497,149
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....	.....	.....	.....	.....
57. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
58. Total (Line 35).....	285,326,807	238,001,121	203,691,908	203,475,905	167,066,329
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	53,398,845	47,597,646	47,386,879	46,572,457	34,830,727
60. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	33,260,337	29,314,099	28,996,100	29,260,358	27,462,222
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	19,342,733	10,012,513	9,217,001	7,793,473	5,655,197
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....	.....	.....	.....	.....
63. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
64. Total (Line 35).....	106,001,915	86,924,258	85,599,980	83,626,288	67,948,146
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2).....	69.0	62.5	59.6	56.3	54.1
67. Loss expenses incurred (Line 3).....	12.2	12.1	11.8	11.7	9.7
68. Other underwriting expenses incurred (Line 4).....	27.3	28.1	27.4	28.0	28.1
69. Net underwriting gain (loss) (Line 8).....	(9.4)	(2.5)	1.2	4.0	8.1
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	26.5	25.7	26.3	28.0	25.9
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	81.2	74.5	71.4	68.0	63.9
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).....	117.6	105.7	101.6	100.0	105.6
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(304)	(4,501)	(4,428)	(4,793)	(3,926)
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).....	(0.2)	(3.4)	(3.2)	(3.3)	(3.0)
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(2,985)	(5,715)	(7,533)	(5,409)	(5,239)
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).....	(2.2)	(4.1)	(5.2)	(4.1)	(4.7)

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:

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 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....	.....123	.....9	.....31	.....7	.....9	.....1	.....3	.....146	XXX.....
2. 2002.....	114,830	13,960	100,870	77,733	11,694	3,143	384	8,971	941	14,523	76,828	XXX.....	
3. 2003.....	137,482	16,824	120,658	87,728	13,246	3,367	369	9,690	1,072	16,398	86,098	XXX.....	
4. 2004.....	156,521	19,567	136,954	86,793	13,441	3,473	446	10,588	1,168	17,263	85,798	XXX.....	
5. 2005.....	165,403	22,264	143,139	90,272	14,530	3,434	416	11,087	1,225	18,678	88,621	XXX.....	
6. 2006.....	163,837	17,089	146,748	84,064	10,155	3,258	403	10,961	993	18,092	86,731	XXX.....	
7. 2007.....	163,280	14,416	148,864	88,310	8,925	3,201	445	12,867	1,079	19,512	93,929	XXX.....	
8. 2008.....	153,896	12,996	140,899	87,728	7,495	2,549	297	13,676	809	18,883	95,352	XXX.....	
9. 2009.....	143,274	8,736	134,538	80,899	3,566	2,042	145	12,667	400	18,228	91,496	XXX.....	
10. 2010.....	146,261	7,390	138,871	81,084	1,197	1,720	50	12,525	158	18,379	93,924	XXX.....	
11. 2011.....	155,275	7,814	147,461	74,044	421	593	4	11,936	110	11,818	86,039	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	838,777	84,679	26,810	2,968	114,978	7,956	171,778	884,962	XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	.....173	.....76	.....16	.....7	.....20	.....11	.....3	.....0	.....49	.....	.....	.....167	XXX.....
2. 2002.....	.....154	.....48	.....(23)	.....(12)	.....20	.....11	.....(3)	.....0	.....31	.....	.....1	.....131	XXX.....
3. 2003.....	.....207	.....61	.....(81)	.....(5)	.....33	.....18	.....(3)	.....0	.....28	.....	.....3	.....110	XXX.....
4. 2004.....	.....241	.....49	.....(137)	.....1	.....53	.....32	.....(23)	.....1	.....20	.....	.....7	.....72	XXX.....
5. 2005.....	.....468	.....82	.....(186)	.....(25)	.....84	.....39	.....(31)	.....(2)	.....71	.....	.....18	.....313	XXX.....
6. 2006.....	.....863	.....64	.....(384)	.....(65)	.....207	.....73	.....(74)	.....0	.....104	.....	.....37	.....644	XXX.....
7. 2007.....	.....1,970	.....256	.....(649)	.....(65)	.....390	.....110	.....(126)	.....7	.....178	.....4	.....96	.....1,450	XXX.....
8. 2008.....	.....3,228	.....441	.....(824)	.....(98)	.....687	.....146	.....(126)	.....8	.....289	.....11	.....220	.....2,746	XXX.....
9. 2009.....	.....6,222	.....479	.....(687)	.....(121)	.....1,374	.....145	.....(150)	.....8	.....533	.....10	.....654	.....6,770	XXX.....
10. 2010.....	.....11,346	.....563	.....(449)	.....136	.....2,064	.....117	.....(69)	.....26	.....976	.....	.....1,792	.....13,025	XXX.....
11. 2011.....	.....19,307	.....331	.....8,687	.....368	.....3,482	.....74	.....904	.....12	.....2,465	.....	.....9,619	.....34,061	XXX.....
12. Totals.....	.....44,181	.....2,450	.....5,283	.....122	.....8,413	.....777	.....302	.....61	.....4,744	.....25	.....12,447	.....59,488	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 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid	
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....107	.....61
2. 2002.....	.....90,026	.....13,067	.....76,959	.....78.4	.....93.6	.....76.3	.....	.....	.....	.....94	.....36
3. 2003.....	.....100,969	.....14,762	.....86,208	.....73.4	.....87.7	.....71.4	.....	.....	.....	.....70	.....39
4. 2004.....	.....101,008	.....15,138	.....85,870	.....64.5	.....77.4	.....62.7	.....	.....	.....	.....54	.....18
5. 2005.....	.....105,200	.....16,266	.....88,935	.....63.6	.....73.1	.....62.1	.....	.....	.....	.....226	.....87
6. 2006.....	.....98,998	.....11,624	.....87,375	.....60.4	.....68.0	.....59.5	.....	.....	.....	.....480	.....163
7. 2007.....	.....106,140	.....10,761	.....95,379	.....65.0	.....74.6	.....64.1	.....	.....	.....	.....1,130	.....320
8. 2008.....	.....107,207	.....9,109	.....98,098	.....69.7	.....70.1	.....69.6	.....	.....	.....	.....2,061	.....685
9. 2009.....	.....102,899	.....4,633	.....98,266	.....71.8	.....53.0	.....73.0	.....	.....	.....	.....5,177	.....1,594
10. 2010.....	.....109,196	.....2,247	.....106,949	.....74.7	.....30.4	.....77.0	.....	.....	.....	.....10,197	.....2,828
11. 2011.....	.....121,420	.....1,320	.....120,099	.....78.2	.....16.9	.....81.4	.....	.....	.....	.....27,296	.....6,765
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....46,892	.....12,596

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of

Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior....	23,510	21,803	21,188	24,229	24,060	23,932	23,710	23,582	23,503	23,541	.38	(41)
2. 2002....	69,131	68,844	68,305	69,021	69,150	69,105	68,920	68,936	68,877	68,897	.20	(38)
3. 2003....	XXX....	82,069	78,511	78,069	77,691	77,726	77,709	77,538	77,563	77,561	(2)	.23
4. 2004....	XXX....	XXX....	82,152	77,779	76,894	76,331	76,470	76,328	76,387	76,431	.43	102
5. 2005....	XXX....	XXX....	XXX....	82,610	80,330	79,470	78,986	79,105	79,062	79,001	(61)	(104)
6. 2006....	XXX....	XXX....	XXX....	XXX....	81,494	79,166	78,381	77,438	77,036	77,302	.266	(135)
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	87,906	84,544	83,388	82,989	83,418	.429	.29
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	86,852	85,118	84,440	84,954	.514	(165)
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	88,133	85,207	85,476	.269	(2,657)
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	95,427	93,607	(1,820)	XXX....
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	105,808	XXX....	XXX....
										12. Totals....	(304)	(2,985)

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....	9,834	15,071	20,943	22,489	23,125	23,395	23,194	23,285	23,422	XXX....	XXX....
2. 2002....	38,945	55,760	61,051	65,255	67,132	68,137	68,492	68,715	68,764	68,797	XXX....	XXX....
3. 2003....	XXX....	46,166	64,011	69,599	73,389	75,424	76,648	77,137	77,322	77,480	XXX....	XXX....
4. 2004....	XXX....	XXX....	46,211	63,090	68,774	72,353	74,498	75,520	76,066	76,379	XXX....	XXX....
5. 2005....	XXX....	XXX....	XXX....	49,221	65,809	71,429	75,322	77,285	78,376	78,759	XXX....	XXX....
6. 2006....	XXX....	XXX....	XXX....	XXX....	48,041	64,947	70,499	73,924	75,782	76,763	XXX....	XXX....
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	53,104	70,730	76,613	79,944	82,141	XXX....	XXX....
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	53,901	73,246	78,619	82,485	XXX....	XXX....
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	55,358	73,227	79,229	XXX....	XXX....
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	60,200	81,558	XXX....	XXX....
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	74,212	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.....	2,282	414	71	104	72	(36)	(17)	(16)	8	12
2. 2002....	9,215	1,514	396	(86)	16	(13)	(36)	(111)	(22)	(15)
3. 2003....	XXX....	11,821	2,252	865	3	46	(95)	(286)	(93)	(79)
4. 2004....	XXX....	XXX....	12,720	2,537	1,028	.51	(88)	(378)	(128)	(161)
5. 2005....	XXX....	XXX....	XXX....	12,016	2,697	1,021	(105)	(362)	(75)	(190)
6. 2006....	XXX....	XXX....	XXX....	XXX....	11,536	2,446	.968	(176)	2	(393)
7. 2007....	XXX....	XXX....	XXX....	XXX....	XXX....	11,783	2,285	.82	(248)	(718)
8. 2008....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	10,757	1,309	.709	(860)
9. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	10,839	1,948	(724)
10. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	10,641	(680)
11. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	9,211

Annual Statement for the year 2011 of the **American Commerce 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 (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL	365,289	168,555		51,804	44,186	39,078	585	
2. Alaska.....	AK	51,732	418,706			960	6,067	373	
3. Arizona.....	AZ	8,083,087	7,971,950		8,702,387	7,921,853	1,741,749	41,755	
4. Arkansas.....	AR	260,267	(131,988)		61,315	73,029	116,458	858	
5. California.....	CA	467,132	121,518						
6. Colorado.....	CO	404,682	434,454		221,751	273,061	164,192	2,192	
7. Connecticut.....	CT	8,875,538	5,430,187		3,539,082	4,617,228	1,906,892	56,815	
8. Delaware.....	DE	316,044	440,329		56,980	200,805	177,789	1,836	
9. District of Columbia.....	DC	41,927	52,419		43,653	45,969	8,951	205	
10. Florida.....	FL	(1,073,587)	(682,382)		(1,968)	(153,123)		1,711	
11. Georgia.....	GA	827,792	700,373		137,540	147,281	139,505	3,752	
12. Hawaii.....	HI	16,016	15,328		1,105	719	2,551	127	
13. Idaho.....	ID	2,883,212	2,829,995		1,379,881	1,423,905	941,156	17,449	
14. Illinois.....	IL	1,944,367	1,153,878		588,000	863,982	980,462	6,219	
15. Indiana.....	IN	7,332,486	6,889,225		5,733,428	6,758,646	2,608,295	106,968	
16. Iowa.....	IA	147,320	86,013		5,824	1,801	10,712	366	
17. Kansas.....	KS	227,423	112,355		33,622	70,810	50,508	1,410	
18. Kentucky.....	KY	4,003,850	4,551,260		3,834,284	2,561,015	2,861,936	36,906	
19. Louisiana.....	LA	987,784	1,063,913		420,412	575,490	469,038	5,541	
20. Maine.....	ME	101,221	61,456		40,736	192,307	163,669	403	
21. Maryland.....	MD	294,666	315,088		42,668	20,408	43,748	677	
22. Massachusetts.....	MA	310,328	241,829		28,264	33,699	54,085	755	
23. Michigan.....	MI	760,517	436,926		43,821	93,370	70,284	2,594	
24. Minnesota.....	MN	486,122	260,549		132,808	108,944	46,697	1,520	
25. Mississippi.....	MS	187,127	99,614		46,222	97,420	65,274	866	
26. Missouri.....	MO	354,275	257,524		155,931	212,966	102,503	1,565	
27. Montana.....	MT	66,570	93,000		11,026	7,282	17,295	348	
28. Nebraska.....	NE	363,333	249,472		35,083	41,351	36,731	906	
29. Nevada.....	NV	190,950	236,745		20,041	37,002	33,199	1,114	
30. New Hampshire.....	NH	215,668	101,122		86,679	20,637	18,640	550	
31. New Jersey.....	NJ	48,662,746	43,218,873		30,713,503	33,542,338	15,675,132	185,299	
32. New Mexico.....	NM	67,038	54,056		435,955	433,530	8,832	262	
33. New York.....	NY	45,157,598	53,552,305		37,494,416	37,365,254	22,130,383	505,991	
34. North Carolina.....	NC	960,796	286,230		6,290	37,970	31,681	1,981	
35. North Dakota.....	ND	42,631	32,692		14,554	16,626	6,737	303	
36. Ohio.....	OH	18,206,331	18,291,106		15,568,847	18,347,571	9,054,663	136,692	
37. Oklahoma.....	OK	212,900	209,289		829,830	185,665	1,440,254	1,327	
38. Oregon.....	OR	24,521,556	24,856,671		12,674,890	12,994,458	9,933,086	124,541	
39. Pennsylvania.....	PA	1,395,780	3,034,163		865,735	1,841,931	2,100,257	3,727	
40. Rhode Island.....	RI	34,978,943	34,595,786		21,790,822	23,039,769	17,235,338	157,421	
41. South Carolina.....	SC	750,157	318,862		31,664	49,560	27,102	844	
42. South Dakota.....	SD	16,670	19,495		1,243	24,326	165,589	98	
43. Tennessee.....	TN	4,288,921	5,106,486		5,447,522	6,441,129	1,807,341	37,140	
44. Texas.....	TX	2,605,039	1,872,580		346,209	724,285	560,474	17,413	
45. Utah.....	UT	182,122	192,618		21,503	19,773	31,607	1,130	
46. Vermont.....	VT	437,773	373,374		1,674	1,751	2,486	98	
47. Virginia.....	VA	409,150	52,433		18,973	21,425	42,187	1,750	
48. Washington.....	WA	44,542,763	45,579,501		27,546,236	26,268,305	21,264,835	318,980	
49. West Virginia.....	WV	10,513	19,917		(14,620)	(21,352)	27,232	57	
50. Wisconsin.....	WI	495,215	325,912		71,020	64,726	49,569	1,594	
51. Wyoming.....	WY	23,200	44,099		6,246	17,179	11,880	121	
52. American Samoa.....	AS	N							
53. Guam.....	GU	N							
54. Puerto Rico.....	PR	N							
55. US Virgin Islands.....	VI	N							
56. Northern Mariana Islands.....	MP	N							
57. Canada.....	CN	N							
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0	0	0
59. Totals.....		(a) 51	267,460,980	266,015,861	0	179,324,891	187,709,222	114,484,129	1,793,134

DETAILS OF WRITE-INS

5801.	XXX.								
5802.	XXX.								
5803.	XXX.								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX.	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX.	0	0	0	0	0	0	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

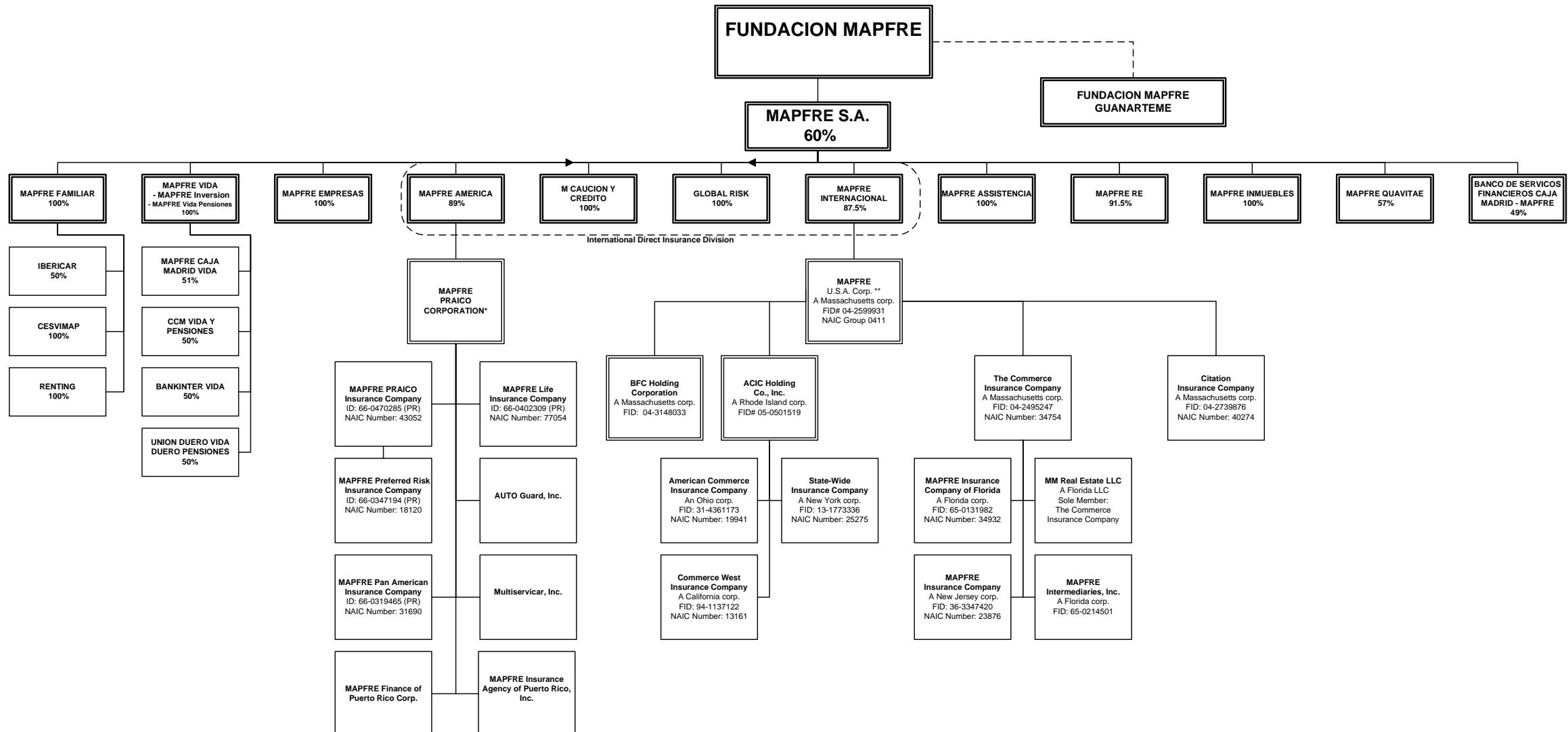
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

Premiums are allocated to those state where the insured risks are located: principal garage for automobile, physical address for homeowners, commercial multiple peril and other liability.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



* All subsidiaries of MAPFRE PRAICO Corporation are 100% owned by their parent companies, except MAPFRE Preferred Risk Insurance Company which is 100% owned by MAPFRE PRAICO Insurance Company.

** All subsidiaries of MAPFRE U.S.A. Corp. are 100% owned by their parent companies, except ACIC Holding Co., Inc., which is 5% owned by AAA Southern New England.

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