



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

Motorists Mutual Insurance Company

NAIC Group Code 0291 (Current) 0291 (Prior) NAIC Company Code 14621 Employer's ID Number 31-4259550

Organized under the Laws of _____, State of Domicile or Port of Entry _____ OH
Country of Domicile _____ United States of America

Incorporated/Organized 11/08/1928 Commenced Business 11/27/1928

Statutory Home Office _____ 471 East Broad Street _____, _____ Columbus , OH, US 43215
(Street and Number) _____ (City or Town, State, Country and Zip Code)

Main Administrative Office _____ 471 East Broad Street
(Street and Number)
Columbus , OH, US 43215 _____, 614-225-8211
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 471 East Broad Street, Columbus, OH, US 43215
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records _____ 471 East Broad Street
(Street and Number)
Columbus , OH, US 43215 _____, 614-225-8211
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address _____ MotoristsGroup.com

Statutory Statement Contact Joel B. Kratzer, 614-225-8327
(Name) (Area Code) (Telephone Number)
Accounting@MotoristsGroup.com, 614-225-8330
(E-mail Address) (FAX Number)

OFFICERS

President & CEO David Lynn Kaufman Treasurer & CFO Susan Elizabeth Haack
Secretary Anne Bridges King

OTHER

Jon Andrew Bright, Sr. VP, Sales & Underwriting Grady Brendan Campbell #, Chief Operating Officer
John Christopher Kessler, Chief Information Officer Charles Deacon Steadman #, Executive Vice President
Marchelle Elaine Moore #, Chief Legal Officer & General Counsel

DIRECTORS OR TRUSTEES

DIRECTORS OR TRUSTEES		
John Jacob Bishop	Yvette McGee Brown	Archie Mason Griffin
Susan Elizabeth Haack	Sandra Werth Harbrecht	David Lynn Kaufman
Robert Lee McCracken	Thomas Charles Ogg	Robert Charles Smith
Dennis Brendan Sullivan	Michael Lee Wiseman	

State of Ohio County of Franklin SS:

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.

David L. Kaufman
Chief Executive Officer

Anne B. King
Secretary

Susan E. Haack
Treasurer

Subscribed and sworn to before me this
15th day of February, 2017

a. Is this an original filing?

b. If no,

1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL 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)	632,357,190		632,357,190	670,742,727
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	228,958,379	4,176,863	224,781,516	226,852,019
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	0	28,353,359	28,353,359	26,714,225
4.2 Properties held for the production of income (less \$ encumbrances)	0	633,749	633,749	649,647
4.3 Properties held for sale (less \$ encumbrances)	0	446,995	446,995	453,106
5. Cash (\$ (9,923,558) , Schedule E - Part 1), cash equivalents (\$ 0 , Schedule E - Part 2) and short-term investments (\$ 16,783,504 , Schedule DA)	6,859,946		6,859,946	(423,054)
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	160,817,992	50,060,714	110,757,278	109,206,403
9. Receivable for securities	1,290,880		1,290,880	393,887
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,059,718,490	54,237,577	1,005,480,913	1,034,588,961
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	5,439,250		5,439,250	6,894,522
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	23,621,477	3,549	23,617,927	39,413,776
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ 3,261,600 earned but unbilled premiums)	120,773,040	1,539,978	119,233,063	114,488,837
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	18,245,504		18,245,504	14,405,465
16.2 Funds held by or deposited with reinsured companies	84,524,105		84,524,105	83,849,584
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	1,945,898		1,945,898	226,312
18.2 Net deferred tax asset	53,088,576	940,082	52,148,494	51,097,526
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	5,428,039	3,018,412	2,409,627	3,094,475
21. Furniture and equipment, including health care delivery assets (\$ 0)	4,181,271	4,181,271		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	5,707,139		5,707,139	2,287,647
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	90,766,028	49,863,254	40,902,775	37,006,972
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,473,438,817	113,784,122	1,359,654,695	1,387,354,078
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,473,438,817	113,784,122	1,359,654,695	1,387,354,078
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. ICOLI cash surrender value	34,968,527		34,968,527	34,044,229
2502. Pooled general expenses receivable	4,146,394		4,146,394	2,631,059
2503. Equities and deposits in pools and associations	1,787,853		1,787,853	331,683
2598. Summary of remaining write-ins for Line 25 from overflow page	49,863,254	49,863,254	40,902,775	37,006,972
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	90,766,028	49,863,254	40,902,775	37,006,972

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	289,035,938	286,236,131
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	19,284,384	26,555,502
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	72,287,635	70,619,300
4. Commissions payable, contingent commissions and other similar charges	19,055,846	19,723,063
5. Other expenses (excluding taxes, licenses and fees)	4,907,152	5,829,043
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	5,582,512	5,472,240
7.1 Current federal and foreign income taxes (including \$ 372,089 on realized capital gains (losses))		2,639,754
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 104,830,578 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)	223,377,582	224,964,101
10. Advance premium	3,361,574	3,455,932
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	3,274,447	3,679,842
12. Ceded reinsurance premiums payable (net of ceding commissions)	21,140,185	19,739,521
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	64,259,221	63,061,256
14. Amounts withheld or retained by company for account of others	5,167,433	4,955,218
15. Remittances and items not allocated	1,226,488	1,329,058
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 8)	234	1,894
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,024,156	5,131,189
20. Derivatives		
21. Payable for securities	385,696	326,813
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	82,025,184	89,770,411
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	815,395,667	833,490,269
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	815,395,667	833,490,269
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	544,259,029	553,863,809
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	544,259,029	553,863,809
38. TOTALS (Page 2, Line 28, Col. 3)	1,359,654,695	1,387,354,078
DETAILS OF WRITE-INS		
2501. Retiree benefit obligations	68,137,807	81,490,801
2502. Pooled general expenses payable	8,062,367	3,889,878
2503. Miscellaneous liabilities	4,698,887	3,276,730
2598. Summary of remaining write-ins for Line 25 from overflow page	1,126,123	1,113,002
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	82,025,184	89,770,411
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	490,914,852	494,447,438
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	257,568,144	255,723,235
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	57,177,827	62,944,348
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	187,729,209	184,425,833
5. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5).....	502,475,180	503,093,415
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	(11,560,328)	(8,645,977)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	23,807,421	31,011,584
10. Net realized capital gains or (losses) less capital gains tax of \$ 3,754,427 (Exhibit of Capital Gains (Losses)).....	5,720,938	(12,558,508)
11. Net investment gain (loss) (Lines 9 + 10).....	29,528,360	18,453,076
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 681,444).....	(681,444)	(72,312)
13. Finance and service charges not included in premiums.....	2,880,041	3,978,345
14. Aggregate write-ins for miscellaneous income.....	1,966,031	(1,446,111)
15. Total other income (Lines 12 through 14).....	4,164,628	2,459,922
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	22,132,659	12,267,022
17. Dividends to policyholders.....	2,306,002	2,692,891
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).....	19,826,657	9,574,131
19. Federal and foreign income taxes incurred.....	88,660	1,765,431
20. Net income (Line 18 minus Line 19)(to Line 22).....	19,737,997	7,808,700
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	553,863,809	557,407,808
22. Net income (from Line 20).....	19,737,997	7,808,700
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (479,781).....	(2,215,065)	(1,070,632)
25. Change in net unrealized foreign exchange capital gain (loss).....	63,327	(270,994)
26. Change in net deferred income tax.....	6,161,196	4,652,194
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	(43,056,867)	(20,241,894)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	1,660	13,178
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3 Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	9,702,972	5,565,449
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(9,604,780)	(3,543,999)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	544,259,029	553,863,809
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....		
1401. Miscellaneous income or expense.....	1,362,152	204,166
1402. Change in ICOLI cash surrender value.....	924,298	(1,380,755)
1403. Miscellaneous service fees.....	15,343	20,916
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(335,762)	(290,438)
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	1,966,031	(1,446,111)
3701. Net change retiree benefit obligations.....	9,702,972	4,507,821
3702. Prior Period income/ (expense) adjustment.....		1,057,628
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	9,702,972	5,565,449

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	499,956,508	482,996,853
2. Net investment income	30,388,108	34,819,398
3. Miscellaneous income	4,164,628	2,459,922
4. Total (Lines 1 through 3)	534,509,244	520,276,174
5. Benefit and loss related payments	263,827,239	239,425,703
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	242,197,779	246,413,408
8. Dividends paid to policyholders	2,711,397	3,482,401
9. Federal and foreign income taxes paid (recovered) net of \$ 3,156,026 tax on capital gains (losses)	8,202,427	3,417,499
10. Total (Lines 5 through 9)	516,938,843	492,739,011
11. Net cash from operations (Line 4 minus Line 10)	17,570,401	27,537,163
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	137,828,093	139,173,272
12.2 Stocks	48,914,813	34,606,675
12.3 Mortgage loans		
12.4 Real estate	478,275	1,616,789
12.5 Other invested assets	2,705,021	13,631,994
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	4,890	
12.7 Miscellaneous proceeds	(854,223)	(327,580)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	189,076,870	188,701,151
13. Cost of investments acquired (long-term only):		
13.1 Bonds	99,526,699	145,195,971
13.2 Stocks	40,334,048	47,889,321
13.3 Mortgage loans		
13.4 Real estate	2,962,368	1,598,071
13.5 Other invested assets	34,966,344	36,810,203
13.6 Miscellaneous applications	(58,883)	210,847
13.7 Total investments acquired (Lines 13.1 to 13.6)	177,730,577	231,704,414
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	11,346,293	(43,003,263)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(21,633,694)	15,818,010
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(21,633,694)	15,818,010
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	7,283,000	351,909
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(423,054)	(774,963)
19.2 End of period (Line 18 plus Line 19.1)	6,859,946	(423,054)

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

20.0001. Capital Assets given to directly owned subsidiary as a capital contribution		10,000,000
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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	5,894,040	3,156,471	2,951,429	6,099,082
2. Allied lines	5,990,358	3,173,893	3,048,868	6,115,383
3. Farmowners multiple peril	4,347,393	2,218,265	2,001,460	4,564,198
4. Homeowners multiple peril	74,988,769	45,352,593	40,433,313	79,908,050
5. Commercial multiple peril .....	.57,073,027	28,398,574	28,456,247	.57,015,354
6. Mortgage guaranty				
8. Ocean marine	188,789	99,426	94,802	193,413
9. Inland marine	14,738,771	7,009,651	7,220,692	14,527,731
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	1,135,797	691,347	653,689	1,173,454
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health	558		156	402
16. Workers' compensation	40,045,943	15,883,832	17,097,046	38,832,729
17.1 Other liability - occurrence	61,284,897	27,571,456	30,118,651	58,737,703
17.2 Other liability - claims-made	175,170			175,170
17.3 Excess workers' compensation				
18.1 Products liability - occurrence	4,835,758	2,016,835	2,173,802	4,678,791
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	67,491,716	27,423,500	24,105,084	70,810,132
19.3, 19.4 Commercial auto liability	65,712,662	28,040,076	31,000,747	62,751,991
21. Auto physical damage	77,988,908	32,471,582	32,532,182	77,928,308
22. Aircraft (all perils)				
23. Fidelity	773,658	345,399	350,876	768,181
24. Surety	0	39	19	19
26. Burglary and theft	687,743	307,988	311,507	684,225
27. Boiler and machinery	760,549	449,312	456,790	753,070
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - nonproportional assumed property	3,898,025	275,049	266,954	3,906,119
32. Reinsurance - nonproportional assumed liability	1,315,802	78,815	103,269	1,291,347
33. Reinsurance - nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	489,328,332	224,964,101	223,377,582	490,914,852
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL 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	2,951,429				2,951,429
2. Allied lines	3,048,868				3,048,868
3. Farmowners multiple peril	2,001,460				2,001,460
4. Homeowners multiple peril	40,433,313				40,433,313
5. Commercial multiple peril	28,456,247				28,456,247
6. Mortgage guaranty					
8. Ocean marine	94,802				94,802
9. Inland marine	7,220,692				7,220,692
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	653,689				653,689
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health	156				156
16. Workers' compensation	17,097,046				17,097,046
17.1 Other liability - occurrence	30,118,651				30,118,651
17.2 Other liability - claims-made					
17.3 Excess workers' compensation					
18.1 Products liability - occurrence	2,173,802				2,173,802
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	24,105,084				24,105,084
19.3, 19.4 Commercial auto liability	31,000,747				31,000,747
21. Auto physical damage	32,532,182				32,532,182
22. Aircraft (all perils)					
23. Fidelity	350,876				350,876
24. Surety	19				19
26. Burglary and theft	311,507				311,507
27. Boiler and machinery	456,790				456,790
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - nonproportional assumed property	266,954				266,954
32. Reinsurance - nonproportional assumed liability	103,269				103,269
33. Reinsurance - nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	223,377,582				223,377,582
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through 37)					223,377,582
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

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

**ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL 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	2,483,496	5,939,034	390,718	2,710,398	208,810	5,894,040
2. Allied lines	2,827,541	5,880,700	259,451	2,754,690	222,644	5,990,358
3. Farmowners multiple peril		6,126,250	329,576	1,999,166	109,268	4,347,393
4. Homeowners multiple peril	68,843,878	41,934,301	2,913,680	34,483,887	4,219,204	74,988,769
5. Commercial multiple peril	55,894,342	30,872,835	179,846	26,245,261	3,628,735	.57,073,027
6. Mortgage guaranty						
8. Ocean marine	282,714			.86,815	7,110	.188,789
9. Inland marine	14,351,621	7,928,766	453	.6,777,683	764,386	.14,738,771
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	1,775,753	219,709	554	.522,301	337,919	1,135,797
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health		826		257	10	.558
16. Workers' compensation	22,253,851	.37,428,131	.229,999	18,415,288	1,450,751	40,045,943
17.1 Other liability - occurrence	70,477,337	25,091,567	.868,601	28,182,106	6,970,501	.61,284,897
17.2 Other liability - claims-made			.255,723	.80,553		.175,170
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	4,387,834	2,785,505		2,223,743	113,839	4,835,758
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	62,719,761	27,180,678	9,964,574	31,036,336	1,336,960	.67,491,716
19.3, 19.4 Commercial auto liability	62,055,547	35,110,901	81,965	30,218,231	1,317,520	.65,712,662
21. Auto physical damage	76,089,961	40,497,975	725	35,863,512	2,736,241	.77,988,908
22. Aircraft (all perils)						
23. Fidelity	1,057,288	90,177		.355,770	.18,038	.773,658
24. Surety		0		0	1	0
26. Burglary and theft	377,017	643,875	172	316,262	.17,058	.687,743
27. Boiler and machinery	2,934,197	583,639		.349,741	2,407,546	.760,549
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX		5,690,547	.1,792,522		3,898,025
32. Reinsurance - nonproportional assumed liability	XXX		1,920,879	.605,077		1,315,802
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	448,812,138	268,314,869	23,087,464	225,019,598	25,866,541	489,328,332
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	614,333	3,548,518	1,311,298	2,851,553	841,989	830,449	2,863,093	46.9
2. Allied lines	977,667	6,073,507	2,221,143	4,830,032	434,247	169,673	5,094,605	83.3
3. Farmowners multiple peril		2,506,205	789,455	1,716,751	186,238	159,966	1,743,023	38.2
4. Homeowners multiple peril	33,083,945	28,176,685	19,352,725	41,907,906	11,603,120	12,373,175	41,137,850	51.5
5. Commercial multiple peril	33,873,445	13,601,430	21,801,220	25,673,655	15,844,169	19,183,300	22,334,524	39.2
6. Mortgage guaranty								
8. Ocean marine	118,771	39	37,429	81,381	1,022	9,587	72,815	37.6
9. Inland marine	2,468,380	2,674,451	1,648,140	3,494,691	581,987	502,107	3,574,571	24.6
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health					0	0		
14. Credit accident and health (group and individual)								
15. Other accident and health		278	88	190	472	342	321	79.9
16. Workers' compensation	10,146,280	16,688,526	8,648,757	18,186,049	64,594,750	64,277,643	18,503,156	47.6
17.1 Other liability - occurrence	25,345,405	11,558,036	14,375,267	22,528,173	52,917,937	50,631,552	24,814,558	42.2
17.2 Other liability - claims-made		120,222	37,870	82,352			82,352	47.0
17.3 Excess workers' compensation								
18.1 Products liability - occurrence	344,510	1,215,963	491,549	1,068,925	5,778,756	5,441,241	1,406,440	30.1
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	40,125,730	31,506,735	23,884,564	47,747,900	54,478,414	55,052,839	47,173,475	66.6
19.3, 19.4 Commercial auto liability	29,567,655	21,733,660	16,162,348	35,138,967	58,610,125	54,675,931	39,073,161	62.3
21. Auto physical damage	42,642,652	22,641,426	20,601,959	44,682,118	5,665,945	3,211,062	47,137,001	60.5
22. Aircraft (all perils)								
23. Fidelity	616,458	(2,719)	193,328	420,411	183,581	154,126	449,866	58.6
24. Surety		85,750	27,011	58,739	43,515	86,264	15,990	82,977.6
26. Burglary and theft	6,494	(41,930)	(11,162)	(24,274)	228,326	68,845	135,208	19.8
27. Boiler and machinery	1,113,622	14,725	1,086,790	41,557	156,547	78,615	119,488	15.9
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - nonproportional assumed property	XXX	4,178,471	1,316,218	2,862,253	3,974,151	4,601,029	2,235,375	57.2
32. Reinsurance - nonproportional assumed liability	XXX	2,071,547	652,537	1,419,009	12,910,648	14,728,387	(398,730)	(30.9)
33. Reinsurance - nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	221,045,348	168,351,524	134,628,535	254,768,337	289,035,938	286,236,131	257,568,144	52.5
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	229,299	498,856	229,369	498,786	21,000	480,026	157,823	841,989	(16,188)
2. Allied lines	270,246	360,323	289,593	340,975	67,000	79,163	52,891	434,247	4,101
3. Farmowners multiple peril		168,676	107,504	61,171		196,373	71,306	186,238	(22,371)
4. Homeowners multiple peril	6,358,185	7,194,124	5,139,718	8,412,591	3,026,341	2,394,627	2,230,439	11,603,120	1,451,157
5. Commercial multiple peril	8,032,192	6,991,956	6,111,129	8,913,020	1,462,720	8,927,415	3,458,986	15,844,169	2,865,498
6. Mortgage guaranty									
8. Ocean marine		1,492	.470	1,022				1,022	.12
9. Inland marine	451,191	224,633	213,362	462,463	70,000	104,488	54,964	581,987	78,527
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident and health		0		.0				(a) .0	
14. Credit accident and health (group and individual)									
15. Other accident and health			1,526	(1,526)		3,000	1,002	(a) 472	
16. Workers' compensation	17,402,633	43,830,720	21,642,578	39,590,774	12,031,882	24,483,272	11,511,179	64,594,750	9,369,613
17.1 Other liability - occurrence	25,431,401	13,816,840	12,888,675	26,359,566	26,831,928	12,188,417	12,461,974	52,917,937	28,789,954
17.2 Other liability - claims-made									
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	2,094,964	2,064,103	1,310,106	2,848,961	1,722,553	2,571,521	1,364,278	5,778,756	5,658,752
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	40,045,242	19,519,635	23,295,898	36,268,979	14,180,179	12,620,982	8,591,726	54,478,414	9,912,719
19.3, 19.4 Commercial auto liability	31,223,649	23,116,168	17,893,537	36,446,280	18,591,605	14,302,269	10,730,029	58,610,125	13,697,618
21. Auto physical damage	6,064,219	2,015,753	3,146,208	4,933,764	.910,000	168,877	346,696	5,665,945	88,539
22. Aircraft (all perils)									
23. Fidelity	268,001		84,420	183,581				183,581	16,795
24. Surety		63,526	20,011	43,515					43,515
26. Burglary and theft		260,000	.81,900	178,100	3,000	70,323	23,097	228,326	27,425
27. Boiler and machinery	131,882	96,653	71,989	156,547				156,547	16,813
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX	3,909,424	1,231,469	2,677,955	XXX	1,892,256	.596,061	3,974,151	108,149
32. Reinsurance - nonproportional assumed liability	XXX	5,622,310	1,771,028	3,851,283	XXX	13,225,351	.4,165,985	12,910,648	235,295
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	138,003,104	129,755,192	95,530,489	172,227,806	78,918,208	93,708,359	55,818,436	289,035,938	72,287,635
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL 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	12,610,025			12,610,025
1.2 Reinsurance assumed	14,954,168			14,954,168
1.3 Reinsurance ceded	8,515,284			8,515,284
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	19,048,910			19,048,910
2. Commission and brokerage:				
2.1 Direct excluding contingent		69,540,503		69,540,503
2.2 Reinsurance assumed, excluding contingent		45,771,158		45,771,158
2.3 Reinsurance ceded, excluding contingent		36,538,979		36,538,979
2.4 Contingent - direct		11,472,097		11,472,097
2.5 Contingent - reinsurance assumed		8,042,045		8,042,045
2.6 Contingent - reinsurance ceded		6,146,955		6,146,955
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		92,139,870		92,139,870
3. Allowances to managers and agents		2,619		2,619
4. Advertising		2,558,454		2,558,454
5. Boards, bureaus and associations	264,829	2,626,718		2,891,547
6. Surveys and underwriting reports		4,712,503		4,712,503
7. Audit of assureds' records		58,858		58,858
8. Salary and related items:				
8.1 Salaries	16,887,014	35,250,862	324,101	52,461,977
8.2 Payroll taxes	1,167,866	2,459,159	20,763	3,647,788
9. Employee relations and welfare	5,366,163	10,890,306	150,050	16,406,519
10. Insurance	164,514	387,933	2,961	555,408
11. Directors' fees	198,382	603,087	4,055	805,524
12. Travel and travel items	1,379,943	2,580,843	12,672	3,973,458
13. Rent and rent items	2,146,345	3,565,981	33,653	5,745,979
14. Equipment	2,347,639	6,821,361	180,663	9,349,663
15. Cost or depreciation of EDP equipment and software	1,068,302	2,078,884	32,759	3,179,945
16. Printing and stationery	177,335	420,665	15,408	.613,409
17. Postage, telephone and telegraph, exchange and express	837,214	2,904,983	13,055	3,755,253
18. Legal and auditing	177,853	577,604	947,733	1,703,191
19. Totals (Lines 3 to 18)	32,183,399	78,500,821	1,737,875	112,422,094
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	8,826	11,008,338		11,008,338
20.2 Insurance department licenses and fees		633,679		633,679
20.3 Gross guaranty association assessments		52,633		52,633
20.4 All other (excluding federal and foreign income and real estate)		304,812		304,812
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		11,999,461		11,999,461
21. Real estate expenses			6,806,880	6,806,880
22. Real estate taxes			932,063	932,063
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	5,945,518	5,089,058	166,442	11,201,017
25. Total expenses incurred	57,177,827	187,729,209	9,643,260	(a) 254,550,296
26. Less unpaid expenses - current year	72,287,635	28,088,282	1,457,228	101,833,145
27. Add unpaid expenses - prior year	70,619,300	29,600,679	1,423,668	101,643,647
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	55,509,492	189,241,606	9,609,700	254,360,798
DETAILS OF WRITE-INS				
2401. Consulting fees	1,290,913	3,685,504	154,065	5,130,482
2402. Other unallocated expenses	2,503,632			2,503,632
2403. Unallocated aggregate stop-loss recovery	1,295,807			1,295,807
2498. Summary of remaining write-ins for Line 24 from overflow page	855,166	1,403,553	12,376	2,271,096
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	5,945,518	5,089,058	166,442	11,201,017

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,383,618	1,247,085
1.1 Bonds exempt from U.S. tax	(a) 7,393,082	7,336,160
1.2 Other bonds (unaffiliated)	(a) 10,948,896	10,776,053
1.3 Bonds of affiliates	(a) (b) (b)	
2.1 Preferred stocks (unaffiliated)	2,930,877	3,010,729
2.11 Preferred stocks of affiliates	1,172,729	
2.2 Common stocks (unaffiliated)	(c) (d) 7,661,165	7,661,165
2.21 Common stocks of affiliates		
3. Mortgage loans	(e) 70,780	74,684
4. Real estate	(f) 4,183,342	4,183,342
5. Contract loans		
6. Cash, cash equivalents and short-term investments	45,784	45,784
7. Derivative instruments		
8. Other invested assets		
9. Aggregate write-ins for investment income	35,790,273	34,335,001
10. Total gross investment income		
11. Investment expenses	(g) 8,711,197	
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) 932,063	
13. Interest expense	(h) 45,775	
14. Depreciation on real estate and other invested assets	(i) 884,320	
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		10,527,580
17. Net investment income (Line 10 minus Line 16)		23,807,421
DETAILS OF WRITE-INS		
0901. Security lending income	45,775	45,775
0902. Miscellaneous income .....	.9	9
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	45,784	45,784
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		

(a) Includes \$ 451,964 accrual of discount less \$ 4,659,499 amortization of premium and less \$ 247,905 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ 5,982,805 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
 (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ 884,320 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	768,166		768,166	474,367	
1.1 Bonds exempt from U.S. tax	526,319		526,319		
1.2 Other bonds (unaffiliated)	2,411,092		2,411,092	(56,551)	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	6,256,923		6,256,923	5,585,477	
2.21 Common stocks of affiliates				(6,049,700)	
3. Mortgage loans					
4. Real estate					
5. Contract loans	4,890		4,890		
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	(382,144)	(152,650)	(534,795)	(2,648,439)	63,327
9. Aggregate write-ins for capital gains (losses)	42,771		42,771		
10. Total capital gains (losses)	9,628,016	(152,650)	9,475,366	(2,694,846)	63,327
DETAILS OF WRITE-INS					
0901. Prior year gains	42,771		42,771		
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	42,771		42,771		

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
EXHIBIT OF NON-ADMITTED 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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	4,176,863	4,894,424	-717,561
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)	50,060,714	17,949,895	(32,110,818)
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	54,237,577	22,844,319	(31,393,258)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	3,549	2,780	(770)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,539,978	1,341,609	(198,368)
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	940,082	574,750	(365,332)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	3,018,412	4,118,620	1,100,208
21. Furniture and equipment, including health care delivery assets	4,181,271	3,925,788	(255,483)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	49,863,254	37,919,389	(11,943,865)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	113,784,122	70,727,255	(43,056,867)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	113,784,122	70,727,255	(43,056,867)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Prepaid pension	44,889,038	32,992,176	(11,896,862)
2502. Automobiles	2,062,309	2,590,235	527,926
2503. Prepaid post retirement health care	1,336,594	984,939	(351,655)
2598. Summary of remaining write-ins for Line 25 from overflow page	1,575,312	1,352,039	(223,274)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	49,863,254	37,919,389	(11,943,865)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

This statement has been completed in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio. A reconciliation of the company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

Net Income	SSAP #	F/S Page	Line #	F/S	
				2016	2015
(1) Motorists Mutual Insurance Company state basis	XXX	XXX	XXX	19,737,997	7,808,699
(2) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	19,737,997	7,808,699
Surplus					
(5) Motorists Mutual Insurance Company state basis	XXX	XXX	XXX	544,259,029	553,863,809
(6) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	544,259,029	553,863,809

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the *NAIC Annual Statement Instructions* and the *Accounting Practices and Procedures Manual* requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed using the daily method for direct business and are based on reports received from ceding companies and/or pools for assumed business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- 3) Common stocks are valued at market. However, investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are valued using the equity basis.
- 4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
- 5) The company did not have any mortgage loans.
- 6) Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The retrospective adjustment method is used to value these securities.
- 7) The company owns 70% of the common stock of Motorists Life Insurance Company, a life insurer; 100% of the common stock of MICO Insurance Company, a property/casualty insurer; 100% of the common stock of Motorists Service Corporation, a software services and staffing company; and 100% of Consumers Insurance Group, Inc., the holding company parent of Consumers Insurance USA, Inc., a property/casualty insurer. Motorists Life Insurance Company and MICO Insurance Company are valued on an equity basis as described in Part 5, Section 2ciB1 of the *Securities Valuation Handbook*. Motorists Service Corporation and Consumers Insurance Group, Inc. are valued on an equity basis as described in Part 5, Section 2ciB2 of the *Securities Valuation Handbook*.
- 8) The company has investments in limited partnerships and limited liability companies. In accordance with SSAP No. 48: Joint Ventures, Partnerships and Limited Liability Companies, the investments are recorded using the equity method of accounting based on the underlying audited U.S. GAAP equity values of the holdings. The company also has partnership investments in low income housing tax credit properties. In accordance with SSAP No. 93: Accounting for Low Income Housing Tax Credit Property Investments, the investments are reported at amortized cost.
- 9) The company does not hold any derivative securities.
- 10) The company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts – Premiums.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported (IBNR). Such liabilities are necessarily based on assumptions and estimates. While management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 12) The company has not modified its capitalization policy from the prior period.
- 13) The company does not have any pharmaceutical rebate receivables to report.

D. Going Concern

Management has concluded that there is no substantial doubt of the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

In 2015, Wilson Mutual Insurance Company, an intercompany reinsurance pool participant, became aware of unrecorded liability of \$602,782 related to its involuntary participation in the Wisconsin Insurance Plan for calendar years 2010 through 2013. The recognition of this omission is reflected as a prior period adjustment in the aggregate write-in for gains and losses in surplus (Page 4, column 2, line 37). Motorists Mutual's pool share of this adjustment is a loss of \$395,238.

In 2015, the company also corrected its accounting for several prior year cash distributions received from Park Street Capital Private Equity Fund VIII, LP. The correction involved earnings totaling \$1,452,866 distributed during calendar years 2010 through 2014 which were inadvertently recorded as principal returns. This correction is reflected as a prior period adjustment in the aggregate write-in for gains and losses in surplus (Page 4, column 2, line 37).

3. Business Combinations and Goodwill

A. Statutory Purchase Method

- 1) On August 31, 2014, Motorists Mutual Insurance Company purchased a 100% interest in Consumers Insurance Group, Inc. and its wholly-owned subsidiary, Consumers Insurance USA, Inc. Consumers Insurance USA is a Tennessee stock property/casualty insurer.
- 2) The transaction was accounted for as a statutory purchase.
- 3) The cost was \$32,371,923, resulting in goodwill in the amount of \$17,174,689.
- 4) Goodwill amortization relating to the purchase totaled \$1,717,469 for the year ended December 31, 2016.

B. Information concerning statutory mergers is not applicable.

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C. The company did not recognize an impairment loss on the transaction described above.

4. Discontinued Operations

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

5. Investments

A. The company did not have any mezzanine real estate loans during the periods reported. As of December 31, 2016, the company did not have any residential mortgage loans.

B. The company was not involved in any debt restructuring during the periods reported.

C. The company did not have any reverse mortgages during the periods reported.

D. Loan-Backed Securities

- 1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from market data vendors or broker dealer values.
- 2) The company did not hold any loan-backed securities with other-than-temporary recognized losses.
- 3) The company did not hold any loan-backed securities with current year other-than-temporary recognized losses.
- 4) The financial impact of the company's impaired securities (fair value is less than cost or amortized cost) for which other-than-temporary impairments have not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains) is listed below:

a. The aggregate amount of unrealized losses:

1.	Less than 12 months	1,375,678
2.	12 months or longer	169,962

b. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 months	73,730,153
2.	12 months or longer	3,396,282

- 5) The company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.

E. The company did not have any repurchase agreements or relevant securities lending transactions during the periods reported.

F. Real Estate

- 1) The company did not recognize any impairment losses for investments in real estate during the periods reported.
- 2) The company purchased two residential homes and sold three residential homes in conjunction with associate employment contracts. Proceeds from the sales were equal to the costs of the investment. Thus, gains or losses were not recorded. At December 31, 2016, the company owned two residential properties that were purchased in conjunction with associate employment contracts. The properties are actively marketed for sale by a real estate broker, and are valued net of anticipated disposal costs at year end.
- 3) The company did not experience any changes to its plans of sale for its real estate investments during the periods reported.
- 4) The company did not engage in retail land sales operations during the periods reported.
- 5) The company did not hold any real estate investments with participating mortgage loan features during the period reported.

G. The company invested in a low income housing tax credit (LIHTC) fund during 2016.

- 1) As of December 31, 2016, the company's LIHTC investments had 2 years of unexpired tax credits remaining. There is not a required holding period for the LIHTC investments.
- 2) As of the date of this publication, there were not any underlying properties in the LIHTC funds known to be under regulatory review.
- 3) In aggregate, the company's LIHTC investments did not exceed 10% of total admitted assets during 2016.
- 4) The company did not recognize any impairment losses on LIHTC investments during 2016.
- 5) The company did not make any write-downs or reclassifications due to forfeitures, ineligibility of low income housing tax credits, or other reasons during 2016.

H. Restricted Assets

- 1) The company held other restricted assets as listed below:

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year				
											Percentage	
			Current Year									
	1	2	3	4	5	6	7	8	9	10	11	
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A	Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted	Gross Admitted & Nonadmitted Restricted to Total Admitted Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
e. Subject to dollar repurchase	-	-	-	-	-	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital	-	-	-	-	-	-	-	-	-	-	-	-
i. FHLB capital stock	2,039,300	-	-	-	2,039,300	2,039,300	-	-	2,039,300	0.14%	0.15%	
j. On deposit with states	1,815,868	-	-	-	1,815,868	1,787,628	28,240	-	1,815,868	0.12%	0.13%	
k. On deposit with other regulatory	-	-	-	-	-	-	-	-	-	-	-	
l. Pledged as collateral to FHLB (including assets backing funding agreement(s))	24,351,968	-	-	-	24,351,968	25,042,423	(690,455)	-	24,351,968	1.65%	1.79%	
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-	-	
n. Other restricted assets	7,983,317	-	-	-	7,983,317	8,231,865	(248,548)	-	7,983,317	0.54%	0.59%	
o. Total Restricted Assets	36,190,454	-	-	-	36,190,454	37,101,216	(910,763)	-	36,190,454	2.46%	2.66%	

**ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
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2) The company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati, Ohio. Through its membership, the company has access to cash advances in the amount of \$20,000,000. It is the company's intent to use these funds as a backup source of liquidity.

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year				
							6	7			Percentage	
	1	2	3	4	5	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted	Gross Admitted & Nonadmitted Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Assets Restricted	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted	Gross Admitted & Nonadmitted Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
U S Treasury Notes #912810FH6	1,877,413	-	-	-	1,877,413	1,862,602	14,811	-	1,877,413	0.13%	0.14%	
U S Treasury Notes #912810FR4	1,702,410	-	-	-	1,702,410	1,625,045	77,365	-	1,702,410	0.12%	0.13%	
U S Treasury Notes #912810PZ5	4,014,372	-	-	-	4,014,372	3,950,995	63,376	-	4,014,372	0.27%	0.30%	
U S Treasury Notes #912810QV3	1,469,575	-	-	-	1,469,575	1,458,391	11,184	-	1,469,575	0.10%	0.11%	
U S Treasury Notes #912810RF7	1,646,245	-	-	-	1,646,245	1,617,455	28,790	-	1,646,245	0.11%	0.12%	
U S Treasury Notes #912828GD6	-	-	-	-	-	3,745,339	(3,745,339)	-	-	0.00%	0.00%	
U S Treasury Notes #912828H45	1,028,188	-	-	-	1,028,188	1,014,055	14,133	-	1,028,188	0.07%	0.08%	
U S Treasury Notes #912828JE1	-	-	-	-	-	3,581,323	(3,581,323)	-	-	0.00%	0.00%	
U S Treasury Notes #912828PP9	3,759,031	-	-	-	3,759,031	3,843,781	(84,749)	-	3,759,031	0.26%	0.28%	
U S Treasury Notes #912828JH1	2,391,378	-	-	-	2,391,378	2,343,437	47,941	-	2,391,378	0.16%	0.18%	
U S Treasury Notes #912810QF8	879,558	-	-	-	879,558	-	879,558	-	879,558	0.06%	0.06%	
U S Treasury Notes #912828NU9	3,712,062	-	-	-	-	3,712,062	-	-	3,712,062	0.25%	0.27%	
U S Treasury Notes #912828XL9	1,871,736	-	-	-	1,871,736	-	1,871,736	-	1,871,736	0.13%	0.14%	
Total	24,351,968	-	-	-	24,351,968	25,042,423	(690,455)	-	24,351,968	1.65%	1.76%	

3) The company has restricted assets held as collateral in a trust to cover net receivables/recoverables from Consumers Insurance USA, Inc.

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year				
							6	7			Percentage	
	1	2	3	4	5	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted	Gross Admitted & Nonadmitted Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Assets Restricted	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted	Gross Admitted & Nonadmitted Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
Total Capital International SA	4,972,525	-	-	-	4,972,525	4,969,150	3,375	-	4,972,525	0.34%	0.37%	
Wal-Mart Stores, Inc. #931142D02	3,010,793	-	-	-	3,010,793	3,013,168	(2,375)	-	3,010,793	0.20%	0.22%	
U S Treasury Notes #912828MT2	-	-	-	-	-	249,548	(249,548)	-	-	0.00%	0.00%	
Total	7,983,317	-	-	-	7,983,317	8,231,865	(248,548)	-	7,983,317	0.54%	0.59%	

4) The company did not have any collateral received assets.

I. The company was not involved in any Working Capital Finance Investments during the periods reported.
J. As of December 31, 2016, the company was not involved in any Offsetting and Netting of Assets and Liabilities during the periods reported.
K. The company held Structured Notes as listed below:

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CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage- Referenced Security (YES/NO)
161542DQ5	37,651	127,079	20,137	YES
26250JAG5	2,000,000	2,000,000	2,000,000	YES
3137BBZ7	117,034	116,850	117,034	YES
31385XNF0	243,984	254,848	245,292	YES
31390UMU7	157,354	165,495	158,340	YES
31402HZ20	179,912	183,906	180,784	YES
31403DYB9	469,555	480,629	468,670	YES
31405QAX6	199,244	207,486	199,809	YES
31414RPK5	260,098	270,205	259,750	YES
36251HAA0	1,500,000	1,513,163	1,500,000	YES
38376GDN7	1,157,595	1,142,545	1,164,612	YES
452570AE4	965,058	873,377	973,944	YES
46645UAT4	2,059,996	2,063,866	2,059,974	YES
912810FD5	1,681,057	1,562,282	1,607,229	NO
912810FH6	1,963,693	2,008,658	1,877,413	NO
912810FQ6	639,219	758,647	672,590	NO
912810FR4	2,730,048	2,825,452	2,763,762	NO
912810FS2	2,051,651	1,986,661	2,011,125	NO
912810PS1	1,638,718	1,661,078	1,638,491	NO
912810PV4	1,772,449	1,616,771	1,739,597	NO
912810PZ5	3,766,635	4,524,768	4,058,158	NO
912810QF8	868,598	931,431	879,558	NO
912810QP6	1,098,849	1,171,093	1,113,933	NO
912810QV3	1,407,688	1,615,581	1,469,575	NO
912810RA8	1,056,219	1,128,427	1,096,423	NO
912810RF7	2,053,320	2,012,850	2,083,426	NO
912810RL4	1,873,947	1,934,903	1,916,133	NO
912810RR1	1,103,545	1,070,227	1,117,574	NO
912828B25	3,798,031	3,921,444	3,868,169	NO
912828C99	4,506,069	4,586,898	4,574,558	NO
912828H45	3,603,580	3,682,743	3,672,500	NO
912828HN3	831,209	799,172	807,578	NO
912828JE1	1,313,617	1,395,826	1,423,255	NO
912828K99	1,396,932	1,368,009	1,364,364	NO
912828K33	4,513,957	4,588,824	4,564,313	NO
912828LA6	1,571,414	1,569,452	1,558,172	NO
912828MF4	1,968,142	1,880,962	1,923,816	NO
912828N71	3,428,221	3,352,398	3,451,411	NO
912828NM8	2,933,383	2,938,163	2,928,760	NO
912828P99	3,848,324	3,825,654	3,759,031	NO
912828Q60	613,841	615,428	622,610	NO
912828QV5	3,323,746	3,430,746	3,457,642	NO
912828S50	1,011,207	970,667	1,014,596	NO
912828SA9	2,687,804	2,727,953	2,783,200	NO
912828TE0	3,917,582	3,888,446	4,010,448	NO
912828UH1	3,670,960	3,844,839	3,847,186	NO
912828UX6	3,162,653	3,209,189	3,186,946	NO
912828VM9	3,616,118	3,877,550	3,727,257	NO
912828WU0	3,632,190	3,698,613	3,712,062	NO
912828XL9	3,660,730	3,637,693	3,695,354	NO
Total	98,062,828	100,018,948	99,346,963	xxx

L. The company did not hold 5* securities.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

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

8. Derivative Instruments

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

9. Income Taxes

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

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	12/31/2016			12/31/2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
1 a Gross Deferred Tax Assets	88,153,993	500,003	88,653,996	81,385,034	684,623	82,069,657	6,768,959	(184,620)	6,584,339
b Statutory Valuation Allowance Adjustment	13,146,713	-	13,146,713	7,590,771	-	7,590,771	5,555,942	-	5,555,942
c Adjusted Gross Deferred Tax Assets(1a-1b)	75,007,280	500,003	75,507,283	73,794,263	684,623	74,478,886	1,213,017	(184,620)	1,028,397
d Deferred Tax Assets Nonadmitted	940,082	-	940,082	574,750	-	574,750	365,332	-	365,332
e Subtotal Net Deferred Tax Assets(Liabilities) (1c-1d)	74,067,198	500,003	74,567,201	73,219,513	684,623	73,904,136	847,685	(184,620)	663,065
f Deferred Tax Liabilities	1,974,177	20,444,530	22,418,707	1,882,299	20,924,311	22,806,610	91,878	(479,781)	(387,903)
g Net Admitted Deferred Tax Assets(Liabilities) (1e-1f)	72,093,021	(19,944,527)	52,148,494	71,337,214	(20,239,688)	51,097,526	755,807	295,161	1,050,968
2 a Admission Calculation Components	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a Federal income tax es paid in prior years recoverable through loss carry backs (11a)	2,022,252	482,201	2,504,453	10,330,959	484,599	10,815,558	(8,308,707)	(2,398)	(8,311,105)
b Adjusted gross DTAs expected to be realized after application of the threshold limitations (Lesser of 11bi or 11bii below)	49,644,041	-	49,644,041	40,281,968	-	40,281,968	9,362,073	-	9,362,073
1 Adjusted gross DTAs expected to be realized following the balance sheet date (11bii)	49,644,041	-	49,644,041	40,281,968	-	40,281,968	9,362,073	-	9,362,073
2 Adjusted gross DTAs allowed per limitation threshold (11bii)	71,392,665	-	71,392,665	72,718,062	-	72,718,062	(1,325,397)	-	(1,325,397)
c Adjusted gross DTAs offset by gross DTLs (11c)	22,400,905	17,802	22,418,707	22,606,586	200,024	22,806,610	(205,681)	(182,222)	(387,903)
d DTAs Admitted as the result of application of SSAP No. 101 (Total 2a+2b+2c)	74,067,198	500,003	74,567,201	73,219,513	684,623	73,904,136	847,685	(184,620)	663,065
3 a Disclosure of ratios used for threshold limitation	<u>2016</u>	<u>2015</u>							
Ex DTA ACL RBC % used to determine recovery period and threshold limitation amount in 2(b) above	741	769							
b Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above	496,185,881	506,860,369							
4 a Impact of Tax Planning Strategies	<u>12/31/2016</u>			<u>12/31/2015</u>			<u>Change</u>		
On the Determination of:	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital	
a Adjusted Gross DTAs in 1(c) above	75,007,280	500,003	73,794,263	684,623	1,213,017	(184,620)			
% of Total Adjusted Gross DTAs	22.8%	0.0%	20.5%	0.0%	2.3%	0.0%			
Net Admitted Adjusted Gross DTAs in 1(e) above	74,067,198	500,003	73,219,513	684,623	847,685	(184,620)			
% of Total Net Admitted Adjusted Gross DTAs	23.1%	0.0%	20.7%	0.0%	2.4%	0.0%			
b Does the company's tax -planning strategies include the use of reinsurance?	Yes	_____	No	X					
B. There were no temporary differences for which deferred tax liabilities were not recognized.									
C. Current income taxes incurred consist of the following major components:									
Current Income Tax	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>Change</u>						
Federal	88,659	1,765,432	(1,676,773)						
Foreign	-	-	-						
Subtotal	88,659	1,765,432	(1,676,773)						
Federal income tax on net capital gains	3,754,427	3,784,824	(30,397)						
Utilization of capital loss carry-forward	-	-	-						
Other	-	-	-						
Federal and foreign income taxes incurred	3,843,086	5,550,256	(1,707,170)						
Deferred income tax assets and liabilities consist of the following major components:									
Deferred tax assets:	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>Change</u>						
a Ordinary									
Discounting of unpaid losses	9,873,997	11,023,134	(1,149,137)						
Unearned premium reserve	15,871,741	15,989,402	(117,661)						
Investments	448,074	778,046	(329,973)						
Policy holders dividends accruals	1,146,056	1,287,945	(141,889)						
Fixed Assets	1,162,015	1,771,223	(609,208)						
Compensation and benefit accruals	8,698,708	8,534,411	164,297						
Minimum Pension Liability	17,488,217	22,712,894	(5,224,677)						
Nonadmitted Assets	20,060,779	8,939,261	11,121,518						
Net operating loss and contribution carry-forward	159,167	-	159,167						
Foreign tax, LIHC and AMT credit carry-forward	12,901,675	10,056,339	2,845,336						
Other	343,564	292,378	51,186						
99 Subtotal	88,153,993	81,385,034	6,768,959						
b Statutory Valuation Allowance adjustment	13,146,713	7,590,771	5,555,942						
c Nonadmitted	940,082	574,750	365,332						
d Admitted ordinary deferred tax assets (2a99-2b-2c)	74,067,198	73,219,513	847,685						
e Capital									
Investments	500,003	684,623	(184,620)						
Net capital loss carry-forward	-	-	-						
99 Subtotal	500,003	684,623	(184,620)						
f Statutory Valuation Allowance adjustment	-	-	-						
g Nonadmitted	-	-	-						
h Admitted capital deferred tax assets (2e99-2f-2g)	500,003	684,623	(184,620)						
i Admitted deferred tax assets (2d+2h)	74,567,201	73,904,136	663,065						
Deferred Tax Liabilities:									
a Ordinary									
Investments	537,711	536,065	1,646						
Fixed Assets	1,436,466	1,346,234	90,232						
Other	-	-	-						
99 Subtotal	1,974,177	1,882,299	91,878						
b Capital									
Investments	20,444,530	20,924,311	(479,781)						
Other	-	-	-						
99 Subtotal	20,444,530	20,924,311	(479,781)						
c Deferred tax liabilities (3a99+3b99)	22,418,707	22,806,610	(387,903)						
Net deferred tax assets/liabilities (2i-3c)	52,148,494	51,097,526	1,050,968						

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

	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>Effective Tax Rate</u>	
Current income taxes incurred	3,843,086	5,550,256		
Change in deferred income tax (without tax on unrealized gains/losses and min. pension liability)	(6,161,196)	(4,652,194)		
Total income tax reported	<u>(2,318,110)</u>	<u>898,062</u>		
Income before taxes	23,581,084	13,358,955		
Expected income tax expense (benefit) at 35% statutory rate	8,253,379	4,675,634	35.0%	35.0%
Increase (decrease) in actual tax resulting from:				
a) Tax exempt interest net of proration	(2,169,716)	(2,031,143)	-9.2%	-15.2%
b) Dividends received deduction net of proration	(347,188)	(325,688)	-1.5%	-2.4%
c) Change in deferred tax benefit on nonadmitted assets	(14,896,588)	(6,883,501)	-63.2%	-51.5%
d) Low income housing and foreign tax credits	(494,903)	(769,001)	-2.1%	-5.8%
e) Affiliated dividends due	-	(410,455)	0.0%	-3.1%
f) Recognized partnership income	(578,987)	1,984,336	-2.5%	14.9%
g) Prior period adjustment	(47,996)	-	-0.2%	0.0%
h) Rate Differential	(10,165)	(10,165)	0.0%	-0.1%
i) Treasury Inflation Protection securities	146,235	(588,625)	0.6%	-4.4%
j) ICOLI	(323,504)	483,264	-1.4%	3.6%
k) Nondeductible expenses	289,053	313,485	1.2%	2.3%
l) Tax free contribution	(91,212)	(213,190)	-0.4%	-1.6%
m) Change in Valuation Allowance	5,555,942	2,426,827	23.6%	18.2%
n) Provision to return adjustment	2,465,703	2,478,293	10.5%	18.6%
o) Other	(68,164)	(232,009)	-0.3%	-1.7%
Total income tax reported	<u>(2,318,110)</u>	<u>898,062</u>	<u>-9.8%</u>	<u>6.7%</u>

E. 1) As of December 31, 2016, the company had the following tax credits carry-forwards:

Charitable contribution carry-forwards	Origination Year	Expiration Year	Amount
	2016	2021	<u>454,762</u>
Total			<u>454,762</u>
Low income housing credit carry-forwards	Origination Year	Expiration Year	Amount
	2009	2029	1,068,983
	2010	2030	705,505
	2011	2031	554,360
	2012	2032	731,095
	2013	2033	623,327
	2014	2034	623,388
	2015	2035	623,342
	2016	2036	<u>494,903</u>
Total			<u>5,424,903</u>
Foreign tax credit carry-forwards	Origination Year	Expiration Year	Amount
	2008	2018	-
	2009	2019	77,608
	2010	2020	12,290
	2011	2021	14,875
	2012	2022	3,765
	2013	2023	13,044
	2014	2024	3,631
	2015	2025	3,344
Total			<u>128,557</u>
Research & experimentation credit carry-forwards	Origination Year	Expiration Year	Amount
	2011	2031	166,116
	2012	2032	156,342
	2013	2033	77,398
	2014	2034	40,302
	2015	2035	<u>463</u>
Total			<u>440,621</u>

The company has an alternative minimum tax credit carryover in the amount of \$6,897,189. It does not have an expiration date.

2) The amount of federal income taxes incurred that are available for recoupment in the event of future net losses are as follows:

2016 (current year)	2,343,719
2015 (current year - 1)	-
2014 (current year - 2)	160,734

3) The company did not have any deposits admitted under Section 6603 of the Internal Revenue Service (IRS) Code as of December 31, 2016.

F. 1) The company's federal income tax return was consolidated with the following entities:

MICO Insurance Company
 Motorists Service Corporation
 Consumers Insurance USA, Inc.
 Consumers Insurance Group, Inc.

2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually when the federal income tax return is filed.

G. As of December 31, 2016, the company did not have any federal or foreign income tax loss contingencies.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. - C. On September 30, 2016, Motorists Mutual Insurance Company contributed \$6,000,000 in capital to Motorists Service Corporation, a wholly-owned subsidiary. In addition, Motorists Service Corporation borrowed \$31,577,133 during the year from its parent through an intercompany loan agreement. The balances, which were both recorded by Motorists Mutual as non-admitted assets, were used to fund the subsidiary's development of software applications and services.

On October 28, 2016, BrickStreet Mutual Insurance Company and Motorists Mutual Insurance Company announced plans to enter into an affiliation agreement. Execution of the agreement is pending final regulatory approval. If approved the Companies will enter into various agreements in addition to the affiliation agreement. These include a pooling arrangement, management agreement and other agreements necessary to carry out the purposes of the Affiliation.

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On December 14, 2016, Motorists Mutual Insurance Company formed a limited liability company, MIG Realty LLC, to engage in commercial real estate development. Since funding and related business operations are not expected to take place until 2017, this investment is not included on Schedule A for real estate.

- D. As of December 31, 2016, and 2015, the company reported net amounts due from/(due to) affiliates of \$4,682,983 and \$(2,843,542), respectively. All amounts were settled within 60 days.
- E. The company had no guarantees or undertakings for the benefit of an affiliate or related party that resulted in a material contingency exposure to the company or any related parties during the periods reported.
- F. During the periods reported, the company had management agreements with Motorists Commercial Mutual Insurance Company, an Ohio-based affiliate; Iowa Mutual Insurance Company, an Iowa-based affiliate; Phenix Mutual Fire Insurance Company, a New Hampshire-based affiliate; and Wilson Mutual Insurance Company, a Wisconsin-based affiliate, whereby the company provided management services to these affiliates. The company had a separate arrangement with Motorists Service Corporation (MSC), a wholly owned subsidiary of Motorists, whereby MSC delivered staffing services to the company. The company also had an arrangement with its subsidiaries and affiliates whereby costs for common facilities and support services were shared.
- G. The company is a mutual property/casualty insurer that controls its operations. As the lead company of The Motorists Insurance Group, Motorists Mutual Insurance Company also controls its affiliated companies' operations through interlocking boards of directors.
- H. The company did not own any shares, directly or indirectly, of an upstream intermediate entity or ultimate parent during the periods reported.
- I. The company did not have any investments in subsidiary, controlled, or affiliated entities that exceed 10% of admitted assets during the periods reported.
- J. The company did not recognize any impairment write-downs for investments in subsidiary, controlled, or affiliated entities during the periods reported.
- K. The company did not have any investments in foreign insurance subsidiaries during the periods reported.
- L. The company utilizes the look-through approach in valuing its investment in Consumers Insurance Group, Inc. (CIG) at \$46,092,969. CIG is a wholly-owned subsidiary of the company and the parent company of Consumers Insurance USA, Inc. (CIUSA), a Tennessee domiciled property/casualty insurer. This downstream holding company and its insurance subsidiary are audited and valued on a statutory accounting basis in accordance with SSAP No. 97. All liabilities, commitments, contingencies, guarantees, or obligations of CIG and its subsidiary, CIUSA, are reflected in the company's determination of the carrying value of its investment in CIG, if not already recorded in the subsidiary's financial statements.
- M. The company held SCA Investments during the periods reported.

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities		\$ -	\$ -	\$ -
Total SSAP No 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No 97 8b(ii) Entities Motorists Service Corp	100%	\$ 4,176,863	\$ -	\$ 4,176,863
Total SSAP No 97 8b(ii) Entities	XXX	\$ 4,176,863	\$ -	\$ 4,176,863
c. SSAP No 97 8b(iii) Entities Consumers Insurance Group	100%	\$ 46,092,969	\$ 46,092,969	\$ -
Total SSAP No 97 8b(iii) Entities	XXX	\$ 46,092,969	\$ 46,092,969	\$ -
d. SSAP No 97 8b(iv) Entities				
Total SSAP No 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
e. Total SSAP No 97 8b Entities (except 8bi entities) (b+c+d)		\$ 50,269,832	\$ 46,092,969	\$ 4,176,863
f. Aggregate Total (a+e)		\$ 50,269,832	\$ 46,092,969	\$ 4,176,863

(2) NAIC Filing Response Information

SCA Entity	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code **
a. SSAP No. 97 8a Entities			\$ -			
Total SSAP No 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No 97 8b(ii) Entities Motorists Service Corporation	S1	12/22/2016	\$ 4,176,863	Y	N	
Total SSAP No 97 8b(ii) Entities	XXX	XXX	\$ 4,176,863	XXX	XXX	XXX
c. SSAP No 97 8b(iii) Entities Consumers Insurance Group	S2	5/2/2016	\$ 46,092,969	Y	N	
Total SSAP No 97 8b(iii) Entities	XXX	XXX	\$ 46,092,969	XXX	XXX	XXX
d. SSAP No 97 8b(iv) Entities						
Total SSAP No 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$ 50,269,832	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ 50,269,832	XXX	XXX	XXX

- N. The company did not hold any insurance SCA investments that departed from the NAIC statutory accounting practices and procedures.

11. **Debt**

- A. The company did not have any capital notes or other debt obligations outstanding during the periods reported.
- B. Federal Home Loan Bank (FHLB) Agreements

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1) The company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati, Ohio. Through its membership, the company has access to cash advances in the amount of \$20,000,000. It is the company's intent to use these funds solely as a backup source of liquidity.

2 FHLB Capital Stock
 a. Aggregate Totals

	1 Total (2+3)	2 General Account	3 Protected Cell Accounts
1 Current Year			
(a) Membership Stock (Class A)	-	-	-
(b) Membership Stock (Class B)	1,664,825	1,664,825	-
(c) Activity Stock	-	-	-
(d) Excess Stock	374,475	374,475	-
(e) Aggregate Total (a+b+c+d)	2,039,300	2,039,300	-
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	20,000,000	XXX	XXX
2 Prior Year-end			
(a) Membership Stock (Class A)	-	-	-
(b) Membership Stock (Class B)	1,648,661	1,648,661	-
(c) Activity Stock	-	-	-
(d) Excess Stock	390,639	390,639	-
(e) Aggregate Total (a+b+c+d)	2,039,300	2,039,300	-
(f) Actual Borrowing Capacity as Determined by the Insurer	20,000,000	20,000,000	-

11B(2)a1(f) should be to or greater than 11B(4)a1(d)

11B(2)a2(f) should be to or greater than 11B(4)a2(d)

b. Membership Stock (Class A & B) Eligible and Not Eligible for Redemption

	1 Current Year Total	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
Membership Stock						
	1,664,825	1,664,825	-	-	-	-

1 Class A

2 Class B

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)

11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

3 Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing

1 Current Year Total General and Protected

Cell Accounts Total Collateral Pledged

25,158,603

24,351,968

2 Current Year General Account

Total Collateral Pledged

25,158,603

24,351,968

3 Current Year Protected Cell Accounts

Total Collateral Pledged

4 Prior Year-end Total General and Protected Cell Accounts

Total Collateral Pledged

25,046,326

25,042,423

11B(3)a1 (Columns 1,2, and 3) should be equal to or less than 11B(3)b1 (Columns 1,2, and 3, respectively)

11B(3)a2 (Columns 1,2, and 3) should be equal to or less than 11B(3)b2 (Columns 1,2, and 3, respectively)

11B(3)a3 (Columns 1,2, and 3) should be equal to or less than 11B(3)b3 (Columns 1,2, and 3, respectively)

11B(3)a4 (Columns 1,2, and 3) should be equal to or less than 11B(3)b4 (Columns 1,2, and 3, respectively)

b. Maximum Amount Pledged During Reporting Date

1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral

1 Current Year Total General and Protected Cell Accounts

Maximum Collateral Pledged (Lines 2+3)

25,158,603

24,351,968

2 Current Year General Account Maximum

Collateral Pledged

25,158,603

24,351,968

3 Current Year Protected Cell Accounts

Maximum Collateral Pledged

4 Prior Year-end Total General and

Protected Cell Accounts Maximum Collateral Pledged

25,046,326

25,042,423

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

4 Borrowing from FHLB

a. Amount as of the Reporting Date	1 Total (2+3)	2 General Account	3 Protected Cell Accounts	4 Funding Agreements Reserves Established
------------------------------------	---------------------	-------------------------	---------------------------------	---

1 Current Year

(a) Debt	-	-	-	xxx
(b) Funding Agreements	-	-	-	
(c) Other	-	-	-	xxx
(d) Aggregate Total (a+b+c)	-	-	-	

2 Prior Year-end

(a) Debt	-	-	-	xxx
(b) Funding Agreements	-	-	-	
(c) Other	-	-	-	xxx
(d) Aggregate Total (a+b+c)	-	-	-	

1 Total (2+3)	2 General Account	3 Protected Cell Accounts
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b. Maximum Amount during Reporting Period (Current Year)

1 Debt	-
2 Funding Agreements	-
3 Other	-
4 Aggregate Total (a+b+c)	-

11B(4)a4 (Columns 1,2, and 3) should be equal to or less than 11B(4)a1 (d) (Columns 1,2, and 3, respectively)

c. FHLB - Prepayment Obligations

Does the company have prepayment obligations under the following arrangements (YES/NO)?

1 Debt	NO
2 Funding Agreements	NO
3 Other	NO

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

A. The company sponsored a defined benefit pension plan covering substantially all associates during the periods reported. The company also sponsored a plan providing health benefits to substantially all active and retired associates.

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

A summary of assets, obligations, and assumptions of the plans as December 31, 2016, and 2015, is provided below:

1) Change in benefit obligation	Oversubordinated				Undersubordinated			
	2015	2016	2015	2016	2015	2016	2015	2016
a. Pension Benefits								
1. Benefit obligation at beginning of year			335,821,249	321,068,380				
2. Service cost	-	-	7,550,545	6,667,056				
3. Interest cost	-	-	13,911,994	12,063,160				
4. Contribution by plan participants	-	-	(22,070,529)	10,216,818				
5. Actuarial (gain) loss	-	-	-	-				
6. Foreign currency exchange rate changes	-	-	-	-				
7. Benefits paid	-	-	(14,144,879)	(14,538,618)				
8. Plan amendments	-	-	-	-				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	(14,940,811)				
10. Benefit obligation at end of year	-	-	321,068,380	320,535,985				
b. Postretirement Benefits								
1. Benefit obligation at beginning of year	13,069,045	13,092,039	1,296,889	1,277,053				
2. Service cost	227,154	174,480	11,865	13,373				
3. Interest cost	592,580	482,355	58,414	48,042				
4. Contribution by plan participants	473,761	524,476	57,024	66,846				
5. Actuarial (gain) loss	(273,681)	(648,484)	(17,810)	12,151				
6. Foreign currency exchange rate changes	-	-	-	-				
7. Benefits paid	(996,820)	(1,008,115)	(129,329)	(129,498)				
8. Plan amendments	-	-	-	-				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-				
10. Benefit obligation at end of year	13,092,039	12,616,751	1,277,053	1,287,967				
c. Special or Contractual Benefits Per SSAP No. 11								
1. Benefit obligation at beginning of year			26,348,166	26,606,332				
2. Service cost	-	-	320,972	472,163				
3. Interest cost	-	-	1,064,286	998,479				
4. Contribution by plan participants	-	-	-	-				
5. Actuarial (gain) loss	-	-	1,564	863,625				
6. Foreign currency exchange rate changes	-	-	-	-				
7. Benefits paid	-	-	(1,128,656)	(1,092,004)				
8. Plan amendments	-	-	-	103,757				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-				
10. Benefit obligation at end of year	-	-	26,606,332	27,952,352				

2) Change in plan assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2015	2016	2015	2016	2015	2016
a. Fair value of plan assets at beginning of year	275,962,177	267,290,010	15,662,708	14,592,413	-	-
b. Actual return on plan assets	(4,527,288)	25,950,231	(181,660)	1,384,409	-	-
c. Foreign currency exchange rate changes	-	-	-	-	-	-
d. Reporting entity contribution	10,000,000	20,700,000	(286,901)	59,557	-	-
e. Plan participants' contributions	-	-	530,785	591,322	-	-
f. Benefits paid	(14,144,879)	(14,538,618)	(1,132,519)	(1,137,613)	-	-
g. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	(17,799,668)	-	-	-	-
h. Fair value of plan assets at end of year	267,290,010	281,601,955	14,592,413	15,490,088	-	-

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NOTES TO FINANCIAL STATEMENTS

3) Funded status	Pension Benefits		Postretirement Benefits	
	2015	2016	2015	2016
Overfunded				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	60,879,789	72,524,360	2,444,183	2,800,643
2. Overfunded plan assets	-	-	1,500,374	2,873,337
3. Total assets (nonadmitted)	60,879,789	72,524,360	3,944,557	5,673,980
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	-	-	(1,551,840)	(1,545,356)
2. Liability of pension benefits	(53,778,370)	(38,934,030)	(1,277,053)	(1,287,967)
3. Total liabilities recognized	(53,778,370)	(38,934,030)	(2,828,893)	(2,833,323)
c. Unrecognized liabilities	-	-	-	-
4) Components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
	2015	2016	2015	2016
a. Service cost	7,550,545	6,667,056	239,019	187,853
b. Interest cost	13,911,994	12,063,160	650,994	530,397
c. Expected return on plan assets	(18,611,092)	(18,757,199)	(1,139,089)	(966,757)
d. Transition asset or obligation	8,665	8,665	-	-
e. Gains and losses	9,874,319	9,060,499	255,023	237,007
f. Prior service cost or credit	262,888	13,248	(291,887)	(291,887)
g. Gain or loss recognized due to a settlement, curtailment or special termination benefits	-	-	-	-
h. Total net periodic benefit cost	12,997,299	9,055,429	(285,940)	(303,387)
				2,608,302
				2,674,774
5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
	2015	2016	2015	2016
a. Items not yet recognized as a component of net periodic cost - prior year	123,736,160	114,658,159	(397,100)	669,022
b. Net transition asset or obligation recognized	(8,665)	(8,665)	-	-
c. Net prior service cost or credit arising during the period	-	-	-	-
d. Net prior service cost or credit recognized	(262,868)	(13,248)	291,887	291,887
e. Net gain and loss arising during the period	1,067,851	5,882,643	1,029,258	(1,053,985)
f. Net gain and loss recognized	(9,874,319)	(9,060,499)	(255,023)	(237,007)
g. Items not yet recognized as a component of net periodic cost - current year	114,658,159	111,458,390	669,022	(330,083)
6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
	2015	2016	2015	2016
a. Net transition asset or obligation	8,665	8,665	-	-
b. Net prior service cost or credit	13,248	13,248	(291,887)	(291,887)
c. Net recognized gains and losses	8,960,786	8,593,133	156,123	-
7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
	2015	2016	2015	2016
a. Net transition asset or obligation	43,333	34,668	-	-
b. Net prior service cost or credit	68,757	55,509	(2,053,257)	(1,761,370)
c. Net recognized gains and losses	114,546,069	111,368,213	2,722,279	1,431,287
8) Weighted-average assumptions used to determine current year net periodic benefit cost as of December 31	2015	2016		
a. Weighted-average discount rate	4.21	4.61		
b. Expected long-term rate of return on plan assets	6.78	6.83		
c. Rate of compensation increase	6.75 prior to age 30; 4.5 for ages 30-30; 4.5 for ages 30-45; 3.0 for age 45 & older	6.75 prior to age 30; 4.5 for ages 30-30; 4.5 for ages 30-45; 3.0 for age 45 & older		
Weighted-average assumptions used to determine projected benefit obligations as of December 31				
d. Weighted-average discount rate	4.61	4.37		
e. Rate of compensation increase	6.75 prior to age 30; 4.5 for ages 30-30; 4.5 for ages 30-45; 3.0 for age 45 & older	6.75 prior to age 30; 4.5 for ages 30-30; 4.5 for ages 30-45; 3.0 for age 45 & older		
The company has three retiree medical plan options. For measurement purposes, the 2016 assumed annual rate of increase in the per capita cost of covered health care benefits was 7.03% for retirees under age 65, 8.19% for retirees 65 and older not in the MAPD Plan, and 10.00% for retirees 65 and older in the MAPD Plan. The rate was assumed to decrease to 4.5% and remain level thereafter using a 0.5% decrease for retirees under 65 and a 0.25% decrease for retirees not in the MAPD Plan.				
9) The amount of accumulated benefit obligation for defined benefit pension plans was \$300,165,195 for the current year and \$301,412,192 for the prior year.				
10) Employer retiree healthcare costs assume a 3% increase for all future years to reflect the maximum employer increase in premiums.				
11) Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:				
	1 Percentage Point Increase	1 Percentage Point Decrease		
a. Effect on total of service and interest cost components	13,844	(12,612)		
b. Effect on postretirement benefit obligation	188,996	(174,517)		
12) The following estimated future payments which reflect expected future service, as appropriate, are expected to be paid in the years indicated:				
	Pension Benefits	Postretirement Benefits	Postemployment	
	2017	14,754,032	819,917	1,088,012
	2018	14,647,775	768,198	1,243,681
	2019	15,497,890	773,397	1,307,077
	2020	16,163,561	792,414	1,294,501
	2021	16,979,765	803,972	1,900,367
	2022-2026	96,810,654	4,309,640	9,181,731
13) The company intends to make \$10,000,000 of contributions to the pension plan in 2017. The company intends to make \$103,773 of contributions to the postretirement plan in 2017.				
14) As of December 31, 2016, none of the company's securities or those of related parties were included in the plan assets. The company or related parties did not issue insurance contracts covering plan participant benefits, and there were not any significant transactions between the company or related parties and the plan during the period.				
15) The company did not use an alternate amortization method to amortize prior service amount or unrecognized net gains and losses.				
16) The company did not use any substantive commitments as a basis for accounting for the benefit obligations.				
17) On December 7, 2016, the company purchased an annuity contract for a select group of retirees. The transaction resulted in a reduction in the plan's benefit obligation and assets of \$14,940,811 and \$17,799,668 respectively. See Note 22 for information regarding a subsequent adjustment to this transaction.				
18) All significant changes in the company's benefit obligation and assets are presented in the disclosure.				
19) The company does not expect the return of any plan assets during the next 12-month period.				

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20) The company's obligation and liability components as of December 31, 2016 are presented below:

	Pension Benefits	Postretirement Benefits 401(h) Eligible	Postretirement Benefits	Postemployment
Benefit Obligation	(320,535,985)	(12,653,293)	(1,251,425)	(27,952,352)
SSAP 92/103 Deferral	-	-	-	-
Adjusted Benefit Obligation	(320,535,985)	(12,653,293)	(1,251,425)	(27,952,352)
Plan Assets	281,601,955	15,490,088	-	-
Unfunded Liability	(38,934,030)	-	(1,251,425)	(27,952,352)

21) The company adopted SSAP No. 92, Accounting for Postretirement Benefits Other Than Pensions - A Replacement of SSAP No. 14 and SSAP No. 102, Accounting for Pensions - A Replacement of SSAP No. 89 as of January 31, 2013, and elected to recognize the surplus impact using the deferral method. The components of the guidance impact are as follows:

	Pension Benefits	Postretirement Benefits	Postemployment
Initial Transition Liability	20,075,042	14,578,265	2,672,574
Transaction Liability at December 31, 2016	-	-	-
Anticipated recognition of transition liability	-	-	-

B. The policy, as established by the Qualified Benefit Plans Committee, is to invest assets per the target allocations stated below: The assets will be reallocated periodically. The investment policy will be reviewed periodically, under the advisement of a certified investment advisor, to determine if the policy should be revised due to changes in factors including, but not limited to, funded ratio and discount rate changes, available asset classes, or market conditions. Allowable assets include, but are not limited to, cash equivalents fixed income securities, equity securities, exchange traded index funds, and GICs.

Plan Assets	Allowable Allocation Range
Equity Securities	55 - 64 %
Debt Securities	36 - 46 %
Real Estate	0 %
Other	0 %

C. Information regarding fair value hierarchy measurement is provided below:

1)

Pension Plan Fair Value Measurement of Plan Assets

	Level 1	Level 2	Level 3	Total
TIPS ETF	14,421,819	-	-	14,421,819
Large Cap Equity	65,717,953	17,446,951	-	83,164,904
Small Cap Equity	37,714,273	-	-	37,714,273
International Equity	44,201,921	-	-	44,201,921
Federated Prime MMK	188,830	-	-	188,830
Pooled Separate Accounts / Commingled Funds	-	101,910,208	-	101,910,208
Total Plan Assets	162,244,796	119,357,159	-	281,601,955

Postretirement Plan Fair Value Measurement of Plan Assets

	Level 1	Level 2	Level 3	Total
TIPS ETF	745,790	-	-	745,790
Large Cap Equity	5,221,905	-	-	5,221,905
Small Cap Equity	1,951,528	-	-	1,951,528
International Equity	2,285,483	-	-	2,285,483
Federated Prime MMK	13,144	-	-	13,144
Pooled Separate Accounts / Commingled Funds	-	5,272,236	-	5,272,236
Total Plan Assets	10,217,850	5,272,236	-	15,490,086

2) The company did not have any Level 3 plan assets.

D. The expected long-term rate of return for the plan's total assets is based on the expected return of each category, weighted based on the median of the target allocation for each class.

E. The company sponsored a defined contribution savings plan for the benefit of substantially all associates during the periods reported. The company contributed up to a maximum of 3% of each associate's compensation. Company contributions to the plan were \$1,399,163 and \$1,337,179 for 2016 and 2015, respectively.

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

G. The company's subsidiaries and affiliates participated in defined benefit plans sponsored by the company during the years reported. The company allocated amounts to the subsidiaries and affiliates based on a cost sharing arrangement.

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

I. Impact of Medicare Modernization Act on Postretirement Benefits:

The company first measured the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, on postretirement benefits as of January 1, 2004. The results of that measurement were included in the company's 2004 financial records. The Act had no impact on the statutory expense for the periods reported.

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

- 1) Information concerning capital stock is not applicable. The company is a mutual property/casualty insurer.
- 2) Information concerning preferred stock is not applicable. The company is a mutual property/casualty insurer.
- 3) Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- 4) Information concerning stock dividend payments is not applicable. The company is a mutual property/casualty insurer.
- 5) Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- 6) There were not any restrictions on the company's surplus during the periods reported.
- 7) There were not any advances to surplus to disclose for the periods reported.
- 8) The company did not hold any stock for special purposes during the periods reported.
- 9) The company did not have any special surplus funds to disclose for the periods reported.
- 10) As of December 31, 2016, the portion of unassigned funds (surplus) represented by cumulative unrealized gains (net of deferred FIT) was \$54,869,459.
- 11) The company did not have any surplus debentures or similar obligations to disclose for the periods reported.
- 12) Information concerning quasi-reorganization is not applicable.
- 13) Information concerning quasi-reorganization is not applicable.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

- 1) At December 31, 2016, the company had outstanding commitments associated with joint venture interests totaling \$10,718,900. The company also had contingent commitments that arose from the guarantee of certain insurance agency loans. The contingency for agent loan guarantees was \$2,521,292.
- 2) The aforementioned commitments are not reflected as liabilities in the accompanying financial statement. The figures presented represent the company's maximum potential outlays related to the commitments. Other details are provided below:

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(1)	(2)	(3)	(4)	(5)
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted)	Current status of payment or performance risk of guarantee
Commercial bank loan guarantee for five agencies with various terms, extending to 2028	-	Increase in miscellaneous expense	2,521,292	All loans are current in payments of principal and interest. The likelihood of the company having to make any payments is remote.
Adams Street 2012 Global Fund LP	-	Increase in other invested assets	6,017,600	All current capital calls have been funded.
HarbourVest Partners, LLC	-	Increase in other invested assets	4,363,800	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	-	Increase in other invested assets	337,500	All current capital calls have been funded.
Total	-		13,240,192	

3) Details regarding the impact these commitments had or could potentially have on the company's financial statements are provided below:

a. Aggregate Maximum Potential of Future Payments of all Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	13,240,192
b. Current Liability Recognized in F/S	-
1. Noncontingent Liabilities	-
2. Contingent Liabilities	-
c. Ultimate Financial Statement Impact if action under the guarantee is required.	
1. Investments in SCA	-
2. Joint Venture	10,718,900
3. Dividends to Stockholders (capital contribution)	-
4. Expense	2,521,292
5. Other	-
6. Total (Should equal (3)a.)	13,240,192

B. Assessments

The company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss-based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The company's net paid guaranty fund assessments totaled \$12,595 and \$118,689 for the years ended December 31, 2016, and 2015, respectively. The company's net accrued liabilities for guaranty funds were \$599,272 and \$557,191 as of December 31, 2016, and 2015, respectively. Per the accounting practices and procedures prescribed by the company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.

C. Gain Contingencies

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

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The company did not make any direct payments to settle claims related extra contractual obligations (ECO) or bad faith claims stemming from lawsuits in the current reporting period.

E. Product Warranties

The company did not have any contingent liabilities associated with product warranties to disclose for the periods reported.

F. Joint and Several Liabilities

The company did not have any joint and several liabilities exposure to disclose for the periods reported.

G. All Other Contingencies

The company did not have any other contingent liabilities arising from litigation, income taxes, or other matters that were material in nature. All assets that the company considered to be impaired were valued at market prior to the closing of the company's financial records. The potential for losses associated with uncollectible receivable balances is not material to the company's financial position. Premium balances over 90 days past due are recorded as nonadmitted assets.

15. Leases

A. Leasing Arrangements

- 1) The company leases computer-related equipment under various operating lease arrangements and has entered into various agreements for information technology-related services through 2022. The expenses for these commitments for 2016 and 2015 were \$16,299,315 and \$14,445,910, respectively.
- 2) As of December 31, 2016, the company had aggregate commitments of \$56,057,411. Commitments for the next five years are as follows:

Fiscal Year	Commitment
2017	16,358,396
2018	12,742,264
2019	8,384,616
2020	6,575,567
2021	6,060,516

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

- B. The company leased office space in its home office building to non-affiliated parties during the periods reported. This was not a significant part of the company's business activities.

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

- 1.-2. The company did not have any off-balance sheet risks for the periods disclosed.
- 3.-4. The company is exposed to concentration of credit risk due to cash deposits in excess of federal insured limits. The company mitigates its exposure to losses from these cash deposits by monitoring the financial stability of the financial institutions involved and thru the concentration of funds and nightly sweep to mutual fund investments.

The company is exposed to credit-related losses in the event that a bond issuer may default on its obligation. The company mitigates its exposure of these credit related losses by maintaining a diversified bond portfolio with high credit ratings. The company also is exposed to credit related losses in the event a reinsurer is unable to honor its liabilities to the company. The company mitigates its exposure to losses from insolvent reinsurers by continuously monitoring the credit rating of all the company's reinsurers.

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

- A. The company did not have any transfers of receivables reported as sales during the periods reported.

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B. Transfer and Servicing of Financial Assets

- 1) As of December 31, 2016, the company was not involved in any securities lending programs.
- 2) The company did not have any servicing assets or servicing liabilities to disclose for the periods reported.
- 3) The company did not have any servicing assets or servicing liabilities to disclose for the periods reported.
- 4) The company did not obtain any assets or incur any liabilities due to the transfer of financial assets during the periods reported.
- 5) The company did not securitize any financial assets during the periods reported.
- 6) The company was not involved in any transfers of receivables during the periods reported.
- 7) The company did not have any repurchase or reverse repurchase agreements during the periods reported.

C. Wash Sales

In the course of the company's asset management, there were not any securities sales and reacquisitions made within 30 days of the sale date to enhance the yield on the investment portfolio.

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

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

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

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

20. Fair Value Measurements

A. Fair Value Hierarchy

- 1) Information regarding assets measured at fair value on a recurring basis is provided below:

Description for each class of asset or liability	Fair Value Measurements at December 31, 2016			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
a. Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	-	-	-	-
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	127,078	-	127,078
Hybrid Securities	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	127,078	-	127,078
Common Stock				
Industrial and Misc	120,640,050	-	3,542,995	124,183,045
Parents, Subsidiaries and Affiliates	-	-	104,322,272	104,322,272
Total Common Stocks	120,640,050	-	107,865,267	228,505,317
Other invested assets	-	-	91,789,994	91,789,994
Total assets at fair value	120,640,050	127,078	199,655,261	320,422,390
b. Liabilities at fair value				
Total liabilities at fair value	-	-	-	-

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

	Beginning balance at January 1, 2016	Transfers in/b Level 3	Transfers out of Level 3	Total gains or losses included in Net Income (realized)	Total gains or losses included in Surplus (unrealized)	Purchases	Issuances	Sales	Settlements	Ending balance at December 31, 2016
a. Assets										
Preferred Stock										
Fixed Maturities										
Common Stock										
Industrial and Misc	3,547,335	-	-	(4,340)	-	-	-	-	-	3,542,994
Parents, Subsidiaries and Affiliates	104,825,035	-	-	(6,502,762)	6,000,000	-	-	-	-	104,322,273
Other Invested Assets	83,554,207	-	-	(152,650)	2,862,836	7,668,747	-	(2,143,145)	-	91,789,994
Total Assets	191,926,576	-	-	(152,650)	(3,644,266)	13,668,747	-	(2,143,145)	-	199,655,261
b. Liabilities										
Total Liabilities	-	-	-	-	-	-	-	-	-	-

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

B. The company did not have any other assets measured at fair value.

C. Fair Value Measurement:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets (Level 1)	(Level 2)	(Level 3) (Carrying Value)	Not Practicable
Bonds	641,501,991	632,357,190	-	641,501,991	-
Common Stock	228,505,317	224,328,454	120,640,050	-	107,865,267
Other Invested Assets	160,817,992	110,757,279	-	91,789,994	69,027,998
	1,030,825,300	967,442,923	120,640,050	641,501,991	199,655,261
					69,027,998

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D. Not Practicable to Estimate Fair Value:

	Carrying Value	Effective		Explanation
		Interest Rate	Maturity Date	
Other Invested Assets				
Low Income Housing	1,913,998	n/a	n/a	Asset is not a marketable financial instrument
Surplus Notes	16,000,000	variable	on demand	Asset is not a marketable financial instrument
Agency Loans	1,018,047	variable	on demand	Asset is not a marketable financial instrument
Private Loan	35,239	variable	on demand	Asset is not a marketable financial instrument
Independent Agency Investment	533,685	variable	on demand	Asset is not a marketable financial instrument
Intercompany Loan	49,527,029	variable		Asset is not a marketable financial instrument
	69,027,998			

21. Other Items

A. Extraordinary Items

The company did not have any extraordinary items to disclose for the periods reported.

B. Troubled Debt Restructuring: Debtors

The company did not have any transactions related to troubled debt restructurings during the periods reported.

C. Other Disclosures and Unusual Items

1) The company elected to use rounding in the reporting of amounts in this statement.

2) The table below summarizes the company's net unpaid loss and loss adjustment expense reserves for accident years 2002 through 2006 and prior for all applicable statutory categories reported in Schedule P, Part 1, columns 13 through 24 of the Annual Statement. All amounts shown are in thousands:

Schedule P Category	Loss Year	Case Basis	Bulk & IBNR	Def & Cost Containment	Adjusting & Other Exp	Salvage & Subrogation	Loss & Exp Total Unpaid
Part 1A	Prior	-	-	-	0	-	0
Homeowners/	2002	(25)	-	(1)	-	-	(26)
Farm owners	2003	7	-	0	1	-	8
	2004	-	-	-	-	-	-
	2005	4	-	0	1	-	5
	2006	7	-	1	2	-	10
Total		(8)	-	0	4	-	(3)
Part 1B	Prior	306	-	7	38	-	350
Private Passenger	2002	(8)	-	-	(0)	-	(8)
Auto Liability/Medical	2003	5	-	0	1	-	6
	2004	7	-	0	1	-	8
	2005	-	-	0	-	-	0
	2006	89	2	2	13	-	106
Total		399	2	10	52	-	463
Part 1 C	Prior	40	0	23	4	-	67
Commercial Auto/	2002	-	-	-	-	-	-
Truck Liability/Medical	2003	-	-	-	-	-	-
	2004	-	-	-	-	-	-
	2005	35	-	5	5	-	45
	2006	4	241	124	25	-	393
Total		78	241	152	34	-	505
Part 1D	Prior	9,919	3,017	597	398	-	13,931
Workers'	2002	82	28	6	4	-	119
Compensation	2003	232	29	13	9	-	283
	2004	342	35	15	16	-	409
	2005	33	30	3	2	-	69
	2006	315	1,626	93	68	-	2,102
Total		10,923	4,765	727	498	-	16,913
Part 1E	Prior	475	-	65	10	-	550
Commercial	2002	(4)	-	-	-	-	(4)
Multiple Peril	2003	-	-	-	-	-	-
	2004	-	-	-	-	-	-
	2005	-	-	-	-	-	-
	2006	1	4,877	708	119	-	5,705
Total		472	4,877	772	129	-	6,251
Part 1F, Section 1	Prior	-	-	-	-	-	-
Medical Malpractice	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	2004	-	-	-	-	-	-
	2005	-	-	-	-	-	-
	2006	-	-	-	-	-	-
Total		-	-	-	-	-	-

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Schedule P Category	Loss Year	Case Basis	Bulk & IBNR	Def & Cost Containment	Adjusting & Other Exp	Salvage & Subrogation	Loss & Exp Total Unpaid
Part 1G	Prior	1	-	0	-	-	1
Special Liability	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	2004	-	-	-	-	-	-
	2005	-	-	-	-	-	-
	2006	-	-	-	-	-	-
	Total	1	-	0	-	-	1
Part 1H, Section 1	Prior	923	1,012	770	70	-	2,775
Other Liability	2002	17	-	4	0	-	21
	2003	0	-	0	-	-	0
	2004	114	-	28	4	-	146
	2005	61	-	9	3	-	73
	2006	63	2,211	1,209	111	-	3,594
	Total	1,178	3,223	2,020	188	-	6,609
Part 1I	Prior	1	-	(0)	-	-	1
Special Property	2002	(1)	-	-	-	-	(1)
	2003	-	-	-	-	-	-
	2004	-	-	-	-	-	-
	2005	-	-	-	-	-	-
	2006	-	-	-	-	-	-
	Total	(1)	-	(0)	-	-	(1)
Part 1J	Prior	4	-	0	4	-	7
Auto Physical Damage	2002	(6)	-	-	-	-	(6)
	2003	-	-	-	-	-	-
	2004	-	-	-	-	-	-
	2005	1	-	0	1	-	3
	2006	0	-	0	0	-	1
	Total	(0)	-	0	5	-	5
Part 1K	Prior	-	-	-	-	-	-
Fidelity/Surety	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	2004	-	-	-	-	-	-
	2005	-	-	-	-	-	-
	2006	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Part 1N	Prior	284	314	10	-	-	608
Reinsurance	2002	-	-	-	-	-	-
Nonproportional	2003	-	-	-	-	-	-
Assumed Property	2004	-	-	-	-	-	-
	2005	-	29	1	-	-	30
	2006	-	14	1	-	-	14
	Total	284	356	12	-	-	652
Part 1O	Prior	810	894	36	-	-	1,741
Reinsurance	2002	207	243	9	-	-	459
Nonproportional	2003	144	291	9	-	-	444
Assumed Liability	2004	394	371	16	-	-	781
	2005	288	497	17	-	-	802
	2006	5	492	10	-	-	508
	Total	1,848	2,789	98	-	-	4,734
Part 1R, Section 1	Prior	310	-	494	165	-	969
Products Liability	2002	176	-	284	94	-	554
	2003	2	-	4	1	-	8
	2004	-	-	-	-	-	-
	2005	-	-	-	-	-	-
	2006	-	795	1,247	416	-	2,458
	Total	489	795	2,029	677	-	3,989

D. Business Interruption Insurance Recoveries

There were not any business interruption insurance recoveries received during the periods reported.

E. State Transferable and Non-transferable Tax Credits

The company did not have any state transferable or non-transferable tax credits to disclose for the periods reported.

F. Subprime-Mortgage-Related Risk Exposure

- 1) The definition of "subprime" is necessarily broad and intended to encompass both Alt-A and subprime. Corporate and equity securities (such as banks and investment banks), which may have underlying subprime exposure, are not included. The company's categorization of CMBS reflects securities backed by commercial real estate. Therefore, these securities are not included in the reported figures.

The company's portfolio managers monitor the collateral every month in order to determine whether the collateral pools have deteriorated. Credit support levels provide a basis for the deal tranches the company owns. Anticipated lifetime losses are used to determine deal underperformance.

- 2) The company did not have any direct exposure to subprime mortgage related risk through subprime loans during the periods reported.

- 3) The company had direct exposure to subprime mortgage related risk through the investments listed below:

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NOTES TO FINANCIAL STATEMENTS

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	117,670	100,555	212,478	-
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured Securities	-	-	-	-
e. Equity investment in SCA's	-	-	-	-
f. Other Assets	-	-	-	-
g. Total	117,670	100,555	212,478	-

4) The company did not have any underwriting exposure to subprime mortgage risk through mortgage guaranty or financial guaranty insurance coverage during the periods reported.

G. Insurance Linked Securities

The company was not the issuer, ceding insurer, or the counterparty of any insurance linked securities during the periods reported.

22. Events Subsequent

Type I. Recognized Subsequent Events

The company did not have any recognized subsequent events for the periods reported.

Type II. Nonrecognized Subsequent Events

On February 7, 2017, the company received notification of reduction in the premium calculation for the annuity contract referenced in Note 12.A.17. The recalculation resulted in a refund of \$1,423,439 which will be reflected as a reduction of the 'Retiree benefit obligation' (Page 3, liability write-ins) in the company's 2017 financial statement.

Did the reporting entity write accident and health insurance premium that is subject to section 9010 of the federal Affordable Care Act? NO

23. Reinsurance

A. Unsecured Reinsurance Recoverables

As of December 31, 2016, the company had unsecured aggregate recoverables for losses paid and unpaid (including IBNR), loss adjustment expenses, and unearned premium with six reinsurers that exceeded 3% of the company's surplus. The reinsurers and the associated recoverable balances are listed below:

Company Name	NAIC Number	Federal ID	Amount Recoverable
Motorists Commercial Mutual Insurance Company	13331	41-0299900	133,711,305
Consumers Insurance USA, Inc.	10204	62-1590861	21,682,914
Iowa Mutual Insurance Company	14338	42-0333120	21,682,914
Phenix Mutual Fire Insurance Company	23175	02-0178290	21,682,914
Wilson Mutual Insurance Company	19950	39-0739760	21,682,914

B. Reinsurance Recoverable in Dispute

As of December 31, 2016, the company did not have any reinsurance recoverable amounts in dispute from any one reinsurer that exceeded 5% of policyholder surplus.

C. Reinsurance Assumed and Ceded

1) The maximum amount of return commission that would have been due reinsurers if they or the company had cancelled all of the company's reinsurance or if the company or a receiver had cancelled all of the company's assumed contracts as of December 31, 2016, with the return of the unearned premium reserve is illustrated below:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	127,419,877	18,968,998	102,721,078	16,482,726	24,698,800	2,486,272
b. All Other	5,854,117	1,263,240	2,109,500	179,514	3,744,617	1,083,727
c. Total	133,273,994	20,232,238	104,830,578	16,662,239	28,443,416	3,569,999
d. Direct Unearned Premium Reserve		194,934,165				

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

	Direct	Assumed	Ceded	Net
a. Contingent Commission	10,561,333	8,538,911	6,016,577	13,083,667
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	10,561,333	8,538,911	6,016,577	13,083,667

3) Information concerning protected cells is not applicable.

D. Uncollectible Reinsurance

There were not any reinsurance balances written off as uncollectible during the year.

E. Commutation of Ceded Reinsurance

The company did not commute any ceded reinsurance balances during the year.

F. Retroactive Reinsurance

The company did not have any retroactive reinsurance contracts in place during the periods reported.

G. Reinsurance Accounted for as a Deposit

The company did not have any agreements in place that required reinsurance to be accounted for as a deposit during the periods reported.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

The company did not enter into any special run-off agreements.

I. Certified Reinsurer Downgraded or Status Subject to Revocation

The company has never been classified as a certified reinsurer, and its records do not reflect any certified reinsurers that experienced a rating downgrade or are subject to revocation action.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

The company does not hold any retroactive reinsurance agreements covering asbestos and pollution liabilities which qualify for reinsurer aggregation.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

F. Risk-Sharing Provisions of the Affordable Care Act (ACA)
1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?

NO

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for the company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect favorable development totaling \$11,632,611. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the workers' compensation, commercial multiple peril, private passenger auto liability, and auto physical damage lines of business. The favorable development in these lines was partially offset by further losses in the other liability, homeowners, commercial auto liability, and products liability lines of business. The changes reflected in these lines were generally the result of recent development trends. Since the company did not have any retrospectively rated contracts in place during the periods reported, there were not any premium adjustments made as a result of this loss and loss adjustment expense development.

26. Intercompany Pooling Arrangements

Motorists Mutual Insurance Company (NAIC #14621) and its affiliates; Consumers Insurance USA, Inc. (NAIC #10204), Motorists Commercial Mutual Insurance Company (NAIC #13331), Iowa American Insurance Company (NAIC #31577), Iowa Mutual Insurance Company (NAIC #14338), MICO Insurance Company (NAIC #40932), Phenix Mutual Fire Insurance Company (NAIC #23175), and Wilson Mutual Insurance Company (NAIC #19950), participated in an intercompany pooling arrangement covering premiums, losses, and underwriting expenses for all lines during the year. Related finance and service charge income, agent and premium balance charge-offs, deficiency reserves, and policyholder dividends were also subject to the pooling arrangement. The participation percentages for each company were as follows: 68.5% for Motorists Mutual, 3.0% for Consumers Insurance, 18.5% for Motorists Commercial, 1.0% for Iowa American, 3.0% for Iowa Mutual, 0.0% for MICO, 3.0% for Phenix Mutual, and 3.0% for Wilson Mutual.

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

As of December 31, 2016, the company reported an aggregate pooling-related balance of \$4,240,603 payable to the other pool participants. The balances due to/from each of the other participants are listed below:

Intercompany Pool Participant	Receivable/(Payable)
Consumers Insurance USA, Inc.	(1,385,888)
Iowa American Insurance Company	(531,896)
Iowa Mutual Insurance Company	(831,730)
MICO Insurance Company	1,888
Motorists Commercial Mutual Insurance Company	298,662
Phenix Mutual Fire Insurance Company	(666,592)
Wilson Mutual Insurance Company	(1,125,048)

27. Structured Settlements

A. The company has purchased annuities for structured settlements under which the claimant is the payee, but for which the company is contingently liable. Details are provided below:

<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>
4,066,486	4,152,099

B. As of December 31, 2016, there were not any amounts in excess of 1% of the company's surplus due for annuities from any one life insurance company associated with purchased annuities for which the company did not receive a release of liability from the claimant.

28. Health Care Receivables

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

29. Participating Policies

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

30. Premium Deficiency Reserves

Details regarding the premium deficiency reserve reported by the company as of December 31, 2016, are provided below:

1) Liability carried for premium deficiency reserves	\$ 0
2) Date of the most recent evaluation of this liability	January 24, 2017
3) Was anticipated investment income utilized in the calculation?	Yes

31. High Deductibles

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

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

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

33. Asbestos/Environmental Reserves

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

		(1) 2012	(2) 2013	(3) 2014	(4) 2015	(5) 2016
1)	Direct Basis:					
a.	Beginning Reserves (incl Case, Bulk & IBNR)	8,084,997	8,668,539	8,804,836	8,370,333	7,820,916
b.	Incurred losses and loss adjustment expenses	1,310,064	1,071,423	737,390	374,106	950,161
c.	Calendar year loss and loss adj. expense payments	726,522	935,126	1,171,893	923,523	1,111,599
d.	Ending Reserves (incl Case, Bulk & IBNR)	8,668,539	8,804,836	8,370,333	7,820,916	7,659,478

		(1) 2012	(2) 2013	(3) 2014	(4) 2015	(5) 2016
2)	Assumed Reinsurance Basis:					
a.	Beginning Reserves (incl Case, Bulk & IBNR)	1,651,450	1,566,449	1,935,166	1,761,319	1,675,932
b.	Incurred losses and loss adjustment expenses	19,340	460,981	(51,416)	(319)	7,865
c.	Calendar year loss and loss adj. expense payments	104,341	92,264	122,431	85,068	177,477
d.	Ending Reserves (incl Case, Bulk & IBNR)	1,566,449	1,935,166	1,761,319	1,675,932	1,506,320

		(1) 2012	(2) 2013	(3) 2014	(4) 2015	(5) 2016
3)	Net of Ceded Reinsurance Basis:					
a.	Beginning Reserves (incl Case, Bulk & IBNR)	9,288,139	10,010,486	10,642,547	10,019,654	9,481,939
b.	Incurred losses and loss adjustment expenses	780,911	1,482,116	565,696	379,277	961,886
c.	Calendar year loss and loss adj. expense payments	58,564	850,055	1,188,589	916,992	1,287,129
d.	Ending Reserves (incl Case, Bulk & IBNR)	10,010,486	10,642,547	10,019,654	9,481,939	9,156,696

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

1)	Direct Basis	6,865,491
2)	Assumed Reinsurance Basis	886,710
3)	Net of Ceded Reinsurance Basis	7,745,634

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

1)	Direct Basis	1,347,061
2)	Assumed Reinsurance Basis	46,370
3)	Net of Ceded Reinsurance Basis	1,390,148

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

		(1) 2012	(2) 2013	(3) 2014	(4) 2015	(5) 2016
1)	Direct Basis:					
a.	Beginning Reserves (incl Case, Bulk & IBNR)	2,513,727	3,821,142	3,570,217	2,896,798	3,111,948
b.	Incurred losses and loss adjustment expenses	1,676,726	(26,258)	(183,193)	376,950	164,451
c.	Calendar year loss and loss adj. expense payments	369,311	224,667	490,226	161,800	277,089
d.	Ending Reserves (incl Case, Bulk & IBNR)	3,821,142	3,570,217	2,896,798	3,111,948	2,999,310

		(1) 2012	(2) 2013	(3) 2014	(4) 2015	(5) 2016
2)	Assumed Reinsurance Basis:					
a.	Beginning Reserves (incl Case, Bulk & IBNR)	276,987	280,349	320,755	348,562	207,365
b.	Incurred losses and loss adjustment expenses	6,850	52,097	45,673	(72,957)	22,677
c.	Calendar year loss and loss adj. expense payments	3,488	11,691	17,866	68,240	28,431
d.	Ending Reserves (incl Case, Bulk & IBNR)	280,349	320,755	348,562	207,365	201,611

		(1) 2012	(2) 2013	(3) 2014	(4) 2015	(5) 2016
3)	Net of Ceded Reinsurance Basis:					
a.	Beginning Reserves (incl Case, Bulk & IBNR)	2,696,563	4,027,670	3,830,474	3,155,476	3,277,267
b.	Incurred losses and loss adjustment expenses	1,703,099	28,029	(168,599)	354,423	194,035
c.	Calendar year loss and loss adj. expense payments	371,992	225,225	506,399	232,632	296,417
d.	Ending Reserves (incl Case, Bulk & IBNR)	4,027,670	3,830,474	3,155,476	3,277,267	3,174,885

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

1)	Direct Basis	2,571,865
2)	Assumed Reinsurance Basis	93,760
3)	Net of Ceded Reinsurance Basis	2,646,840

F. The amount of ending reserves for loss adjustment expenses included in "D" (Case, Bulk + IBNR):

1)	Direct Basis	934,201
2)	Assumed Reinsurance Basis	14,261
3)	Net of Ceded Reinsurance Basis	939,070

34. Subscriber Savings Accounts

Information concerning subscriber savings accounts is not applicable

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

35. Multiple Peril Crop Insurance

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

36. Financial Guaranty Insurance

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
 GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
 If yes, complete Schedule Y, Parts 1, 1A and 2

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: _____

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

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. 12/31/2013

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). 11/07/2014

3.4 By what department or departments?
 Ohio Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.11 sales of new business? 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 Company Code	3 State of Domicile
---------------------	------------------------	------------------------

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [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 [] No [X]

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

1 Nationality	2 Type of Entity
------------------	---------------------

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company: _____

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

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

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

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

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain: _____

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

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company _____

12.12 Number of parcels involved _____

12.13 Total book/adjusted carrying value \$ _____

12.2 If, yes provide explanation: _____

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain: _____

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

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

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? 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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers.....	\$ 0
20.12 To stockholders not officers.....	\$ 0
20.13 Trustees, supreme or grand (Fraternal Only)	\$ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers.....	\$ 35,239
20.22 To stockholders not officers.....	\$ 0
20.23 Trustees, supreme or grand (Fraternal Only)	\$ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

21.21 Rented from others.....	\$ 0
21.22 Borrowed from others.....	\$ 0
21.23 Leased from others	\$ 0
21.24 Other	\$ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$	\$ 0
22.22 Amount paid as expenses	\$ 0
22.23 Other amounts paid	\$ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

24.01 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 24.03)..... Yes [] No [X]

24.02 If no, give full and complete information relating thereto
Securities held on deposit with states.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 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]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$

24.07 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]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ 0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ 0
24.103 Total payable for securities lending reported on the liability page	\$ 0

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 24.03). 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 Placed under option agreements	\$ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ 7,983,317
25.27 FHLB Capital Stock	\$ 2,039,300
25.28 On deposit with states	\$ 1,815,868
25.29 On deposit with other regulatory bodies	\$ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ 24,351,968
25.32 Other	\$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
TN Regulation 56-1-405	Assets allowable as credits	\$ 7,983,317

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

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

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Adams Street Partners, LLC	U.....
BlackRock Financial Management	U.....
Crescent Capital Group LP	U.....
Diamond Hill Capital Management, Inc.	U.....
HarbourVest Partners LLC	U.....
New England Asset Management	U.....
Northern Trust Investments, Inc.	U.....
Park Street Capital private Equity Fund VIII, LLC	U.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
109358	Adams Street Partners, LLC	549300GXE0BEF8K02C40	Sec	NO.....
107105	BlackRock Financial Management	549300LXY1VJKE13M84	Sec	NO.....
153966	Crescent Capital Group LP	549300LBZ46F3ZAWSB82	Sec	NO.....
110638	Diamond Hill Capital Management, Inc.	5493001MCDH716N1XC24	Sec	NO.....
109846	HarbourVest Partners LLC	KUR85E5PS4QFZTC130	Sec	NO.....
105900	New England Asset Management	BEL4B8X7EHJU845Y2N39	Sec	NO.....
105780	Northern Trust Investments, Inc. .....	.....	Sec	NO.....
115443	Park Street Capital private Equity Fund VIII, LLC .....	.....	Sec	NO.....

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 []

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
007690-53-5	LSV Small Cap Value Fund	10,036,602
04314H-75-8	Artisan Small Cap Fund 1	7,801,239
04314H-85-7	Artisan Intl Val Fund 1	29,626,750
78467Y-10-7	SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	2,793,416
29.2999 - Total .....	.....	50,258,008

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
LSV Small Cap Value Fund	Hancock Holding Company	127,465	06/30/2016
LSV Small Cap Value Fund	Select Income REIT	123,450	06/30/2016
LSV Small Cap Value Fund	Endurance Specialty Holdings Ltd	102,373	06/30/2016
LSV Small Cap Value Fund	Mack-Cali Realty Corp	101,370	06/30/2016
LSV Small Cap Value Fund	Hospitality Properties Trust	94,344	06/30/2016
Artisan Small Cap Fund 1	Acuity Brands Inc	486,797	06/30/2016
Artisan Small Cap Fund 1	DexCom Inc	374,459	06/30/2016
Artisan Small Cap Fund 1	Ultimate Software Group Inc	287,086	06/30/2016
Artisan Small Cap Fund 1	Guidewire Software Inc	276,944	06/30/2016
Artisan Small Cap Fund 1	CoStar Group Inc	264,462	06/30/2016
Artisan Intl Val Fund 1	Samsung Electronics Co Ltd	1,537,628	06/30/2016
Artisan Intl Val Fund 1	Compass Group PLC	1,510,964	06/30/2016
Artisan Intl Val Fund 1	UBS Group AG	1,244,324	06/30/2016
Artisan Intl Val Fund 1	Arch Capital Group Ltd	1,220,622	06/30/2016
Artisan Intl Val Fund 1	ABB Ltd	1,143,593	06/30/2016
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	IDEXX Laboratories Inc	34,080	12/31/2016
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	The WhiteWave Foods Company	32,124	12/31/2016
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	Duke Realty Corp	30,728	12/31/2016
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	CDK Global Inc	29,052	12/31/2016
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	Synopsis Inc	29,052	12/31/2016

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

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	632,357,190	641,501,991	9,144,801
30.2 Preferred stocks			
30.3 Totals	632,357,190	641,501,991	9,144,801

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

Fair market values are obtained using an external pricing service, BNY Mellon; or using an external investment service, S&P.

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 Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:
.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$ 1,291,980

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

1 Name	2 Amount Paid
Insurance Services Office Inc. ....	....702,940

34.1 Amount of payments for legal expenses, if any?\$ 148,455

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

1 Name	2 Amount Paid
.....

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

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

1 Name	2 Amount Paid
.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [] No [X]
1.2	If yes, indicate premium earned on U. S. business only.	\$ _____
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$ _____
1.31	Reason for excluding	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$ _____
1.5	Indicate total incurred claims on all Medicare Supplement Insurance.	\$ _____ 0
1.6	Individual policies:	Most current three years: 1.61 Total premium earned \$ 0 1.62 Total incurred claims \$ 0 1.63 Number of covered lives
		All years prior to most current three years 1.64 Total premium earned \$ 0 1.65 Total incurred claims \$ 0 1.66 Number of covered lives
1.7	Group policies:	Most current three years: 1.71 Total premium earned \$ 0 1.72 Total incurred claims \$ 0 1.73 Number of covered lives
		All years prior to most current three years 1.74 Total premium earned \$ 0 1.75 Total incurred claims \$ 0 1.76 Number of covered lives
2.	Health Test:	1 Current Year 2 Prior Year
2.1	Premium Numerator	402 1,738
2.2	Premium Denominator	490,914,852 494,447,438
2.3	Premium Ratio (2.1/2.2) .....	.0.000 0.000
2.4	Reserve Numerator .....	.629 342
2.5	Reserve Denominator	603,985,538 608,375,035
2.6	Reserve Ratio (2.4/2.5) .....	.0.000 0.000
3.1	Does the reporting entity issue both participating and non-participating policies?	Yes [] No [X]
3.2	If yes, state the amount of calendar year premiums written on:	3.21 Participating policies \$ 3.22 Non-participating policies \$
4.	For mutual reporting Entities and Reciprocal Exchanges Only:	
4.1	Does the reporting entity issue assessable policies?	Yes [] No [X]
4.2	Does the reporting entity issue non-assessable policies?	Yes [X] No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	% \$ 0
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0
5.	For Reciprocal Exchanges Only:	
5.1	Does the Exchange appoint local agents?	Yes [] No []
5.2	If yes, is the commission paid:	5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A [] 5.22 As a direct expense of the exchange..... Yes [] No [] N/A []
5.3	What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?	
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?	Yes [] No []
5.5	If yes, give full information	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []

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

7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? Yes [X] No []

7.2 If yes, indicate the number of reinsurance contracts containing such provisions: 1

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 [X] No []

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

8.2 If yes, give full information
....

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is 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 common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]

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

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

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

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or Yes [] No [X]
(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 Yes [] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses \$
12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$

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

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

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

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

12.6 If yes, state the amount thereof at December 31 of the current year:
12.61 Letters of credit \$
12.62 Collateral and other funds \$

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 1,370,000

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

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 2

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

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

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

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

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

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

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

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

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

* Disclose type of coverage:
.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes [] No [X]

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 accounts? Yes [] No [X]

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2016	2 2015	3 2014	4 2013	5 2012
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)	360,891,974	353,567,235	350,759,404	313,381,818	295,394,218
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	159,667,521	162,785,211	176,736,536	152,542,799	145,273,676
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	210,895,259	221,694,335	228,737,582	222,416,426	214,520,574
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,148,290	1,074,429	999,926	930,829	858,907
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,611,426	7,401,251	8,555,913	10,884,735	13,912,536
6. Total (Line 35)	740,214,471	746,522,460	765,789,361	700,156,607	669,959,911
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)	239,546,145	236,885,164	233,881,730	218,991,256	205,727,241
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	106,435,618	107,437,227	116,086,946	104,714,561	99,609,371
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	137,358,526	141,366,130	144,424,791	147,949,877	142,390,590
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	774,216	722,290	667,668	654,295	603,265
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	5,213,827	5,069,857	5,850,718	7,673,738	9,808,338
12. Total (Line 35)	489,328,332	491,480,668	500,911,853	479,983,728	458,138,806
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(11,560,328)	(8,645,977)	(3,375,134)	(14,991,921)	(31,338,633)
14. Net investment gain or (loss) (Line 11)	29,528,360	18,453,076	40,539,785	47,115,859	34,336,305
15. Total other income (Line 15)	4,164,628	2,459,922	5,472,963	7,163,937	6,105,545
16. Dividends to policyholders (Line 17)	2,306,002	2,692,891	3,534,153	5,816,505	5,420,331
17. Federal and foreign income taxes incurred (Line 19)	88,660	1,765,431	(1,331,930)	(4,446,482)	(3,591,700)
18. Net income (Line 20)	19,737,997	7,808,700	40,435,392	37,917,852	7,274,586
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	1,359,654,695	1,387,354,078	1,373,884,308	1,335,833,011	1,272,050,376
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	23,617,927	39,413,776	30,120,137	22,248,066	23,483,625
20.2 Deferred and not yet due (Line 15.2)	119,233,063	114,488,837	109,086,791	103,998,918	91,726,514
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	815,395,667	833,490,269	816,476,501	767,048,720	791,489,327
22. Losses (Page 3, Line 1)	289,035,938	286,236,131	279,450,789	295,320,063	300,235,516
23. Loss adjustment expenses (Page 3, Line 3)	72,287,635	70,619,300	69,761,169	77,154,980	79,535,266
24. Unearned premiums (Page 3, Line 9)	223,377,582	224,964,101	227,930,873	216,607,599	203,810,426
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	544,259,029	553,863,809	557,407,808	568,784,291	480,561,049
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	17,570,401	27,537,163	3,877,886	20,919,214	(13,588,378)
Risk-Based Capital Analysis					
28. Total adjusted capital	548,334,375	557,957,895	562,585,923	573,377,501	483,760,484
29. Authorized control level risk-based capital	66,953,099	65,905,122	67,444,352	64,133,117	61,776,110
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	62.9	64.8	64.6	65.2	65.0
31. Stocks (Lines 2.1 & 2.2)	22.4	21.9	21.9	19.7	19.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)				0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.9	2.7	2.8	2.7	2.7
34. Cash, cash equivalents and short-term investments (Line 5)	0.7	0.0	(0.1)	1.2	1.1
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	11.0	10.6	10.8	11.2	11.5
38. Receivables for securities (Line 9)	0.1	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	104,775,333	104,825,034	98,291,815	51,041,877	52,703,689
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
48. Total of above Lines 42 to 47	120,775,333	120,825,034	114,291,815	67,041,877	68,703,689
49. Total Investment in Parent included in Lines 42 to 47 above					
50. 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)	22.2	21.8	20.5	11.8	14.3

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(2,215,065)	(1,070,632)	(4,463,956)	14,005,941	14,232,271
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(9,604,780)	(3,543,999)	(11,376,483)	88,223,242	19,714,015
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. 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)	188,352,721	170,289,573	170,384,934	162,395,896	175,323,654
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	81,605,498	86,707,003	97,931,903	76,516,792	79,387,030
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	112,488,868	113,394,221	117,777,790	121,689,533	145,165,042
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	699,767	169,840	179,631	248,209	368,988
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	6,250,018	4,148,646	5,653,146	7,451,292	7,812,455
59. Total (Line 35)	389,396,872	374,709,282	391,927,405	368,301,724	408,057,169
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. 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)	124,752,366	112,205,529	121,049,695	112,671,245	120,449,886
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	55,834,120	59,305,573	67,100,528	53,890,124	54,841,808
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	69,421,249	74,468,628	81,110,533	84,593,534	94,082,486
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	479,340	116,340	128,567	174,988	260,136
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	4,281,262	2,841,822	4,509,318	5,253,161	5,507,781
65. Total (Line 35)	254,768,337	248,937,893	273,898,642	256,583,052	275,142,097
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	52.5	51.7	52.7	53.9	58.9
68. Loss expenses incurred (Line 3)	11.6	12.7	11.3	13.0	12.0
69. Other underwriting expenses incurred (Line 4)	38.2	37.3	36.7	36.4	36.1
70. Net underwriting gain (loss) (Line 8)	(2.4)	(1.7)	(0.7)	(3.2)	(7.0)
Other Percentages					
71. 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)	37.5	37.0	34.8	33.9	34.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	64.1	64.4	64.0	66.8	70.9
73. 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)	89.9	88.7	89.9	84.4	95.3
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(3,619)	(13,964)	(15,134)	(5,045)	(8,213)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(0.7)	(2.5)	(2.7)	(1.0)	(1.8)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(9,222)	(24,845)	(12,203)	(9,170)	(21,314)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(1.7)	(4.4)	(2.5)	(2.0)	(4.2)

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

Yes No

If no, please explain: _____

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

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

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (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	4,984	2,997	879	70	370	8	187	3,157	XXX	
2. 2007	488,367	20,253	468,114	262,445	9,398	17,913	213	39,318	115	13,846	309,951	XXX	
3. 2008	496,684	21,746	474,938	324,236	37,291	20,383	211	43,849	263	12,229	350,703	XXX	
4. 2009	506,462	20,775	485,687	306,566	15,514	19,901	1,150	39,772	168	11,988	349,407	XXX	
5. 2010	517,308	19,642	497,666	298,462	7,457	17,072	231	42,777	23	13,701	350,600	XXX	
6. 2011	496,420	21,722	474,698	338,932	26,652	14,133	200	45,697	306	13,618	371,604	XXX	
7. 2012	488,500	24,256	464,244	271,828	10,510	12,729	64	44,460	138	12,090	318,304	XXX	
8. 2013	503,244	23,549	479,695	247,036	7,937	9,390	38	44,026	11	12,295	292,466	XXX	
9. 2014	517,761	28,172	489,589	246,459	2,984	6,516	1	43,944	5	12,153	293,928	XXX	
10. 2015	521,593	27,145	494,447	220,128	12,686	5,124	17	41,818	64	10,668	254,303	XXX	
11. 2016	515,680	24,765	490,915	146,239	843	1,979		30,366		5,595	177,741	XXX	
12. Totals	XXX	XXX	XXX	2,667,315	134,269	126,018	2,195	416,397	1,102	118,370	3,072,163	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.	37,377	21,714	17,641	594	0		5,832	11	1,587	0		40,117	XXX
2. 2007	1,031	0	1,148	80			498		201			2,797	XXX
3. 2008	1,680	7	1,345	258	7		586		258			3,612	XXX
4. 2009	1,994	0	2,554	761			741		247			4,775	XXX
5. 2010	3,758	142	2,265	190	12		1,045	3	417	2		7,161	XXX
6. 2011	6,366	137	2,804	106	13		1,268	9	597	5		10,791	XXX
7. 2012	8,364	246	3,784	65	61		1,898	20	785	10		14,553	XXX
8. 2013	13,355	974	6,120	192	82		3,375	4	1,483	0		23,245	XXX
9. 2014	22,982	3,363	10,453	1,191	134		6,129	787	2,709	2,096		34,970	XXX
10. 2015	32,365	867	24,042	475	89		10,429		5,084			70,667	XXX
11. 2016	71,449	1,042	49,328	764	54		13,630		15,983			148,638	XXX
12. Totals	200,721	28,493	121,484	4,676	453		45,431	834	29,350	2,113		361,324	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
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	32,710	7,407
2. 2007	322,553	9,806	312,747	.66.0	48.4	.66.8			.68.5	2,098	698
3. 2008	392,345	38,031	354,314	.79.0	174.9	.74.6			.68.5	2,760	851
4. 2009	371,775	17,593	354,182	.73.4	84.7	.72.9			.68.5	3,787	988
5. 2010	365,809	8,048	357,761	.70.7	41.0	.71.9			.68.5	5,691	1,470
6. 2011	409,810	27,415	382,394	.82.6	126.2	.80.6			.68.5	8,927	1,864
7. 2012	343,910	11,053	332,857	.70.4	45.6	.71.7			.68.5	11,838	2,715
8. 2013	324,866	9,155	315,711	.64.6	38.9	.65.8			.68.5	18,309	4,936
9. 2014	339,326	10,428	328,899	.65.5	37.0	.67.2			.68.5	.28,881	6,089
10. 2015	339,078	14,109	324,969	.65.0	52.0	.65.7			.68.5	.55,065	15,602
11. 2016	329,028	2,649	326,379	.63.8	10.7	.66.5			.68.5	118,971	29,667
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	289,036	72,288

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 One Year	12 Two Year
1. Prior	203,265	198,313	195,978	194,244	194,066	194,718	197,057	196,319	195,333	194,996	(337)	(1,323)
2. 2007	286,579	278,144	275,929	274,042	274,483	274,015	273,665	273,772	273,432	273,344	(88)	(428)
3. 2008	XXX	318,051	318,275	315,090	312,600	312,490	311,596	311,361	311,004	310,470	(534)	(891)
4. 2009	XXX	XXX	321,350	318,647	310,942	313,815	313,284	314,802	315,177	314,331	(846)	(471)
5. 2010	XXX	XXX	XXX	332,415	325,391	321,491	321,727	317,947	315,849	314,592	(1,258)	(3,356)
6. 2011	XXX	XXX	XXX	XXX	344,710	339,630	337,830	337,109	335,767	336,411	644	(697)
7. 2012	XXX	XXX	XXX	XXX	XXX	294,918	290,185	287,565	286,160	287,759	1,600	194
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	280,901	272,237	268,680	270,212	1,532	(2,025)
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	284,572	280,319	284,347	4,028	(225)
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	286,493	278,132	(8,361)	XXX	
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	280,030	XXX	XXX	
										12. Totals	(3,619)	(9,222)

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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016		
1. Prior	000	55,425	93,046	117,056	130,294	139,078	145,113	150,846	153,670	156,466	XXX	XXX
2. 2007	156,803	207,754	233,110	249,039	259,855	266,001	268,163	269,578	270,204	270,748	XXX	XXX
3. 2008	XXX	177,882	239,288	268,028	286,572	297,853	303,266	305,806	306,663	307,117	XXX	XXX
4. 2009	XXX	XXX	183,702	239,415	262,565	286,858	298,354	304,821	308,414	309,803	XXX	XXX
5. 2010	XXX	XXX	XXX	182,036	243,898	269,913	289,621	298,882	303,699	307,846	XXX	XXX
6. 2011	XXX	XXX	XXX	XXX	209,254	271,174	294,683	311,444	319,585	326,213	XXX	XXX
7. 2012	XXX	XXX	XXX	XXX	XXX	165,983	223,691	249,232	262,558	273,982	XXX	XXX
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	158,000	208,522	231,198	248,450	XXX	XXX
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	173,931	226,955	249,990	XXX	XXX
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	155,516	212,549	XXX	XXX	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	147,375	XXX	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)										10
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	2016	
1. Prior	106,838	72,913	54,034	42,632	37,306	34,231	29,098	27,028	25,181	22,867	
2. 2007	71,490	40,308	22,196	12,355	6,448	4,206	2,625	2,135	1,705	1,565	
3. 2008	XXX	72,234	43,820	22,804	12,399	7,134	4,067	2,757	2,275	1,673	
4. 2009	XXX	XXX	74,804	45,583	22,367	13,569	6,476	4,149	3,273	2,534	
5. 2010	XXX	XXX	XXX	81,649	42,856	22,496	12,871	7,756	4,684	3,117	
6. 2011	XXX	XXX	XXX	XXX	71,180	36,348	19,445	10,668	6,395	3,957	
7. 2012	XXX	XXX	XXX	XXX	XXX	63,902	33,832	18,476	10,657	5,598	
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	63,503	31,200	16,460	9,299	
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	56,413	27,474	14,604	
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,673	33,996	
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	62,194	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	Q							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	Q							
6. Colorado	CO	N							
7. Connecticut	CT	Q							
8. Delaware	DE	Q							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	Q							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	Q							
15. Indiana	IN	L	41,632,814	41,808,483	26,062,696	20,710,856	27,086,340	151,386	
16. Iowa	IA	Q							
17. Kansas	KS	N							
18. Kentucky	KY	L	58,023,812	58,181,353	28,954,887	29,467,757	30,969,762	198,001	
19. Louisiana	LA	N							
20. Maine	ME	Q							
21. Maryland	MD	Q							
22. Massachusetts	MA	Q							
23. Michigan	MI	L	22,162,172	19,276,406	12,020,318	14,500,120	11,891,085	30,360	
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	Q							
27. Montana	MT	Q							
28. Nebraska	NE	Q							
29. Nevada	NV	N							
30. New Hampshire	NH	Q							
31. New Jersey	NJ	Q							
32. New Mexico	NM	N							
33. New York	NY	Q							
34. North Carolina	NC	Q							
35. North Dakota	ND	Q							
36. Ohio	OH	L	238,707,353	238,820,922	105,905,956	109,650,951	92,059,504	1,702,474	
37. Oklahoma	OK	Q							
38. Oregon	OR	Q							
39. Pennsylvania	PA	L	68,620,842	67,466,405	442,058	40,628,120	24,320,286	43,921,303	324,571
40. Rhode Island	RI	Q							
41. South Carolina	SC	Q							
42. South Dakota	SD	Q							
43. Tennessee	TN	Q							
44. Texas	TX	Q							
45. Utah	UT	Q							
46. Vermont	VT	Q							
47. Virginia	VA	Q							
48. Washington	WA	N							
49. West Virginia	WV	L	19,665,145	19,353,033	7,473,371	9,499,263	10,993,318	51,809	
50. Wisconsin	WI	Q							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien ..	OT	XXX							
59. Totals	(a)	6	448,812,138	444,906,601	442,058	221,045,348	208,149,234	216,921,312	2,458,601
DETAILS OF WRITE-INS									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX							
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX							

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

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

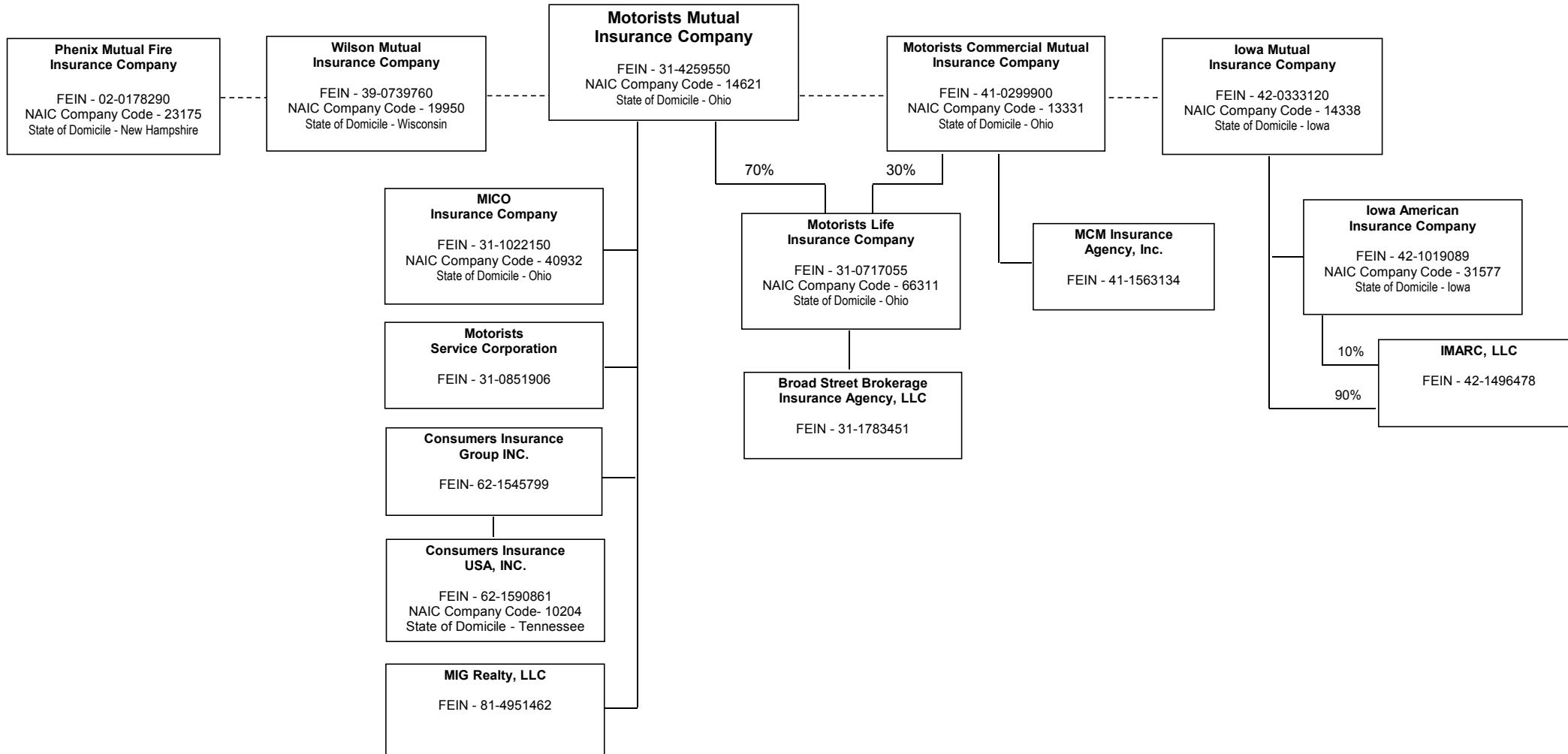
Premiums are assigned to state based on the following methods:

- 1) the location of the risk for lines 1, 2, 4, 5, 8, 9, 12, 16, 26, and 27
- 2) the location of the insured's operation for lines 17 and 18
- 3) the principal garaging location for lines 19 and 21
- 4) the location of the employer for line 23

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

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



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Prepaid pension	44,889,038	44,889,038		
2505. Automobiles	2,062,309	2,062,309		
2506. Prepaid post retirement health care	1,336,594	1,336,594		
2507. Prepaid expenses	1,041,688	1,041,688		
2508. Employee advances	290,777	290,777		
2509. Leasehold improvements	173,621	173,621		
2510. Miscellaneous receivables	39,411	39,411		
2511. Tenant allowances	29,817	29,817		
2597. Summary of remaining write-ins for Line 25 from overflow page	49,863,254	49,863,254		

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Escheatable funds	518,147	222,631
2505. State surcharges payable	463,662	498,661
2506. Reinsurance assumed overhead payable	114,281	218,116
2507. Low income housing obligations	18,585	81,991
2508. Tenant allowances payable	11,448	11,283
2509. Obligations in pools and associations		80,319
2597. Summary of remaining write-ins for Line 25 from overflow page	1,126,123	1,113,002

Additional Write-ins for Statement of Income Line 14

	1 Current Year	2 Prior Year
1404. Interest on assets other than securities	188	351
1405. Penalties and assessments	65	5
1406. Gain / (loss) on equipment disposals	(11,014)	34,206
1407. Surplus note interest credit	(325,000)	(325,000)
1497. Summary of remaining write-ins for Line 14 from overflow page	(335,762)	(290,438)

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

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Data services	550,680	408,717	4,119	963,516
2405. Reinsurance assumed overhead		499,909		499,909
2406. Temporary labor	171,434	299,410	4,784	475,627
2407. Donations and contributions	133,053	184,200	3,473	320,726
2408. Policy administration / servicing fees		11,318		11,318
2497. Summary of remaining write-ins for Line 24 from overflow page	855,166	1,403,553	12,376	2,271,096

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid expenses	1,041,688	894,032	(147,655)
2505. Employee advances	290,777	124,212	(166,565)
2506. Leasehold improvements	173,621	300,356	(126,735)
2507. Miscellaneous receivables	39,411	21,497	(17,914)
2508. Tenant allowances	29,817	11,942	(17,875)
2597. Summary of remaining write-ins for Line 25 from overflow page	1,575,312	1,352,039	(223,274)

ALPHABETICAL INDEX

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