



ANNUAL STATEMENT

For the Year Ended December 31, 2016

of the Condition and Affairs of the

Safe Auto Insurance Company

NAIC Group Code..... 0, 0
(Current Period) (Prior Period)

NAIC Company Code..... 25405

Employer's ID Number..... 31-1379882

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated/Organized..... May 28, 1993

Commenced Business..... August 25, 1993

Statutory Home Office

4 Easton Oval..... Columbus OH 43219
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

4 Easton Oval..... Columbus OH
(Street and Number) (City or Town, State, Country and Zip Code)

614-231-0200

(Area Code) (Telephone Number)

Mail Address

4 Easton Oval..... Columbus OH
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

4 Easton Oval..... Columbus OH
(Street and Number) (City or Town, State, Country and Zip Code)

614-231-0200

(Area Code) (Telephone Number)

Internet Web Site Address

www.safeauto.com

614-944-7680

Statutory Statement Contact

Thomas Happensack

(Area Code) (Telephone Number) (Extension)

(Name)
thomas.happensack@safeauto.com
(E-Mail Address)

614-559-5357

(Fax Number)

OFFICERS

Name
1. Ronald Davies
3. Mark LeMaster #

Title
Chief Executive Officer & President
Claims Leader & Secretary

Name
2. Gregory Sutton
4. Thomas Happensack

Title
Chief Financial Officer & Treasurer
Controller

Charles Kordes #
Partha Srinivasa #

Customer Demand & Experience
Leader
Chief Information Officer

Evan McKee #

Product Leader

OTHER

Charles Bryan
Elie Deshe #
Oded Gur-Arie

Ryan Conlon
Jon Diamond

Ronald Davies
Gabriel Gliksberg #

Ari Deshe
William Graves

DIRECTORS OR TRUSTEES

State of..... Ohio
County of.... Franklin

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

(Signature)
Ronald Davies
1. (Printed Name)
Chief Executive Officer & President
(Title)

(Signature)
Gregory Sutton
2. (Printed Name)
Chief Financial Officer & Treasurer
(Title)

(Signature)
Mark LeMaster
3. (Printed Name)
Claims Leader & Secretary
(Title)

Subscribed and sworn to before me
This 28th 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

Yes [X] No []

3/1/2017

Annual Statement for the year 2016 of the **Safe Auto 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).....	205,578,325		205,578,325	207,513,159
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	678,410		678,410	655,460
2.2 Common stocks.....	48,442,375		48,442,375	45,014,358
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	28,029,898		28,029,898	28,643,148
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	900,000		900,000	900,000
5. Cash (\$....5,219,819, Schedule E-Part 1), cash equivalents (\$....1,998,533, Schedule E-Part 2) and short-term investments (\$....7,232,679, Schedule DA).....	14,451,031		14,451,031	13,038,509
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	12,463,761	60,629	12,403,132	7,398,819
9. Receivables for securities.....	11,413		11,413	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	310,555,213	60,629	310,494,584	303,163,453
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,651,631		1,651,631	1,733,608
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	16,262,845		16,262,845	15,155,446
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	46,280,493		46,280,493	43,070,712
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	6,356,883		6,356,883	9,117,503
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	8,084,205	6,528,095	1,556,110	2,583,457
21. Furniture and equipment, including health care delivery assets (\$.....0).....	679,695	679,695	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	977,011		977,011	647,622
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	13,631,469	501,478	13,129,991	12,150,942
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	404,479,445	7,769,897	396,709,548	387,622,743
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	404,479,445	7,769,897	396,709,548	387,622,743

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Corporate owned life insurance.....	7,003,421		7,003,421	6,351,050
2502. Deferred compensation life insurance.....	5,416,451		5,416,451	5,016,065
2503. Prepaid expenses.....	491,353	491,353	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	720,244	10,125	710,119	783,827
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	13,631,469	501,478	13,129,991	12,150,942

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	102,275,408	106,252,479
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	266,277	602,491
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	22,450,384	25,103,193
4. Commissions payable, contingent commissions and other similar charges.....	335,788	1,030,953
5. Other expenses (excluding taxes, licenses and fees).....	12,379,428	11,086,572
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,225,155	4,234,318
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	.....	.....
7.2 Net deferred tax liability.....	.....	.....
8. Borrowed money \$.....0 and interest thereon \$.....0.....	.....	150,000
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 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).....	79,491,680	74,831,551
10. Advance premium.....	84,130	131,826
11. Dividends declared and unpaid:		
11.1 Stockholders.....	.....	.....
11.2 Policyholders.....	.....	.....
12. Ceded reinsurance premiums payable (net of ceding commissions).....	.....	.....
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	.....	.....
14. Amounts withheld or retained by company for account of others.....	.....	.....
15. Remittances and items not allocated.....	2,900	6,486
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	.....	.....
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	.....	.....
18. Drafts outstanding.....	.....	.....
19. Payable to parent, subsidiaries and affiliates.....	6,899,127	6,299,517
20. Derivatives.....	68,135	.....
21. Payable for securities.....	1,315,770	248,750
22. Payable for securities lending.....	.....	.....
23. Liability for amounts held under uninsured plans.....	.....	.....
24. Capital notes \$.....0 and interest thereon \$.....0.....	.....	.....
25. Aggregate write-ins for liabilities.....	2,176,838	759,322
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	231,971,020	230,737,458
27. Protected cell liabilities.....	.....	.....
28. Total liabilities (Lines 26 and 27).....	231,971,020	230,737,458
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....	.....	.....
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	.....	.....
34. Gross paid in and contributed surplus.....	54,400,000	55,400,000
35. Unassigned funds (surplus).....	107,838,529	98,985,285
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	.....	.....
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	.....	.....
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	164,738,529	156,885,285
38. TOTAL (Page 2, Line 28, Col. 3).....	396,709,549	387,622,743

DETAILS OF WRITE-INS

2501. Funds set aside for escheatment.....	1,890,838	759,322
2502. Corporate reserve.....	286,000	.....
2503. .....	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	2,176,838	759,322
2901. .....	.....	.....
2902. .....	.....	.....
2903. .....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201. .....	.....	.....
3202. .....	.....	.....
3203. .....	.....	.....
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	307,481,403	316,296,338
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	193,877,364	204,008,349
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	31,899,080	31,666,752
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	99,524,306	103,610,529
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	325,300,750	339,285,630
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(17,819,347)	(22,989,292)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	7,399,912	7,573,639
10. Net realized capital gains (losses) less capital gains tax of \$.....(274,847) (Exhibit of Capital Gains (Losses)).....	833,966	(1,843,592)
11. Net investment gain (loss) (Lines 9 + 10).....	8,233,878	5,730,047
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....3,156,627).....	(3,156,627)	(4,206,772)
13. Finance and service charges not included in premiums.....	25,756,808	28,921,856
14. Aggregate write-ins for miscellaneous income.....	5,405,500	4,546,341
15. Total other income (Lines 12 through 14).....	28,005,681	29,261,425
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	18,420,211	12,002,180
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	18,420,211	12,002,180
19. Federal and foreign income taxes incurred.....	5,444,618	3,649,683
20. Net income (Line 18 minus Line 19) (to Line 22).....	12,975,593	8,352,497
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	156,885,282	151,764,259
22. Net income (from Line 20).....	12,975,593	8,352,497
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....2,260,406.....	4,214,337	(694,152)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(500,213)	3,911,740
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	2,063,534	3,800,938
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....	(1,000,000)	
33.2 Transferred to capital (Stock Dividend).....	1,000,000	
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(10,900,000)	(10,250,000)
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.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	7,853,252	5,121,023
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	164,738,533	156,885,282

DETAILS OF WRITE-INS

0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous income.....	5,405,500	4,546,341
1402.....		
1403.....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	5,405,500	4,546,341
3701.....		
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

Annual Statement for the year 2016 of the **Safe Auto Insurance Company**
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	307,776,656	317,672,168
2. Net investment income.....	10,018,500	9,857,401
3. Miscellaneous income.....	28,005,681	29,261,425
4. Total (Lines 1 through 3).....	345,800,837	356,790,994
5. Benefit and loss related payments.....	198,190,652	198,449,320
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	133,487,670	144,226,886
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$....(274,847) tax on capital gains (losses).....	5,169,773	3,483,023
10. Total (Lines 5 through 9).....	336,848,095	346,159,229
11. Net cash from operations (Line 4 minus Line 10).....	8,952,742	10,631,765
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	58,324,409	74,193,139
12.2 Stocks.....	17,202,533	17,043,733
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	709
12.7 Miscellaneous proceeds.....	1,067,020	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	76,593,962	91,237,581
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	57,352,879	77,152,100
13.2 Stocks.....	15,632,469	17,344,892
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	158,408	17,202
13.5 Other invested assets.....	3,712,329	1,484,018
13.6 Miscellaneous applications.....	11,413	605,035
13.7 Total investments acquired (Lines 13.1 to 13.6).....	76,867,498	96,603,247
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(273,536)	(5,365,666)
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.....	(150,000)	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	10,900,000	10,250,000
16.6 Other cash provided (applied).....	3,783,321	4,530,658
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(7,266,679)	(5,719,342)
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).....	1,412,527	(453,243)
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	13,038,509	13,491,752
19.2 End of year (Line 18 plus Line 19.1).....	14,451,036	13,038,509

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

20,0001
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Annual Statement for the year 2016 of the **Safe Auto Insurance Company**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	0		0	0
2. Allied lines.....	0		0	0
3. Farmowners multiple peril.....	0		0	0
4. Homeowners multiple peril.....	0		0	0
5. Commercial multiple peril.....	0		0	0
6. Mortgage guaranty.....	0		0	0
8. Ocean marine.....	0		0	0
9. Inland marine.....	0		0	0
10. Financial guaranty.....	0		0	0
11.1 Medical professional liability - occurrence.....	0		0	0
11.2 Medical professional liability - claims-made.....	0		0	0
12. Earthquake.....	0		0	0
13. Group accident and health.....	0		0	0
14. Credit accident and health (group and individual).....	0		0	0
15. Other accident and health.....	0		0	0
16. Workers' compensation.....	0		0	0
17.1 Other liability - occurrence.....	0		0	0
17.2 Other liability - claims-made.....	0		0	0
17.3 Excess workers' compensation.....	0		0	0
18.1 Products liability - occurrence.....	0		0	0
18.2 Products liability - claims-made.....	0		0	0
19.1, 19.2 Private passenger auto liability.....	221,687,463	53,096,267	56,624,227	218,159,503
19.3, 19.4 Commercial auto liability.....	0		0	0
21. Auto physical damage.....	90,454,069	21,735,284	22,867,453	89,321,900
22. Aircraft (all perils).....	0		0	0
23. Fidelity.....	0		0	0
24. Surety.....	0		0	0
26. Burglary and theft.....	0		0	0
27. Boiler and machinery.....	0		0	0
28. Credit.....	0		0	0
29. International.....	0		0	0
30. Warranty.....	0		0	0
31. Reinsurance - nonproportional assumed property.....	0		0	0
32. Reinsurance - nonproportional assumed liability.....	0		0	0
33. Reinsurance - nonproportional assumed financial lines.....	0		0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	312,141,532	74,831,551	79,491,680	307,481,403

DETAILS OF WRITE-INS

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

Annual Statement for the year 2016 of the **Safe Auto 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.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....					0
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....					0
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....					0
17.2 Other liability - claims-made.....					0
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....					0
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....	56,624,227				56,624,227
19.3, 19.4 Commercial auto liability.....					0
21. Auto physical damage.....	22,867,453				22,867,453
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	79,491,680	0	0	0	79,491,680
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					79,491,680

DETAILS OF WRITE-INS

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

(a) State here basis of computation used in each case: daily pro rata basis

Safe Auto 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.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....						0
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....						0
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	219,906,397		1,781,066			.221,687,463
19.3, 19.4 Commercial auto liability.....						0
21. Auto physical damage.....	90,206,727		301,967		.54,625	90,454,069
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	310,113,124	0	2,083,033	0	.54,625	312,141,532

DETAILS OF WRITE-INS

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

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

If yes: 1. The amount of such installment premiums \$.....0.

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

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

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0	0		0	0.0
2. Allied lines.....				0	0		0	0.0
3. Farmowners multiple peril.....				0	0		0	0.0
4. Homeowners multiple peril.....				0	0		0	0.0
5. Commercial multiple peril.....				0	0		0	0.0
6. Mortgage guaranty.....				0	0		0	0.0
8. Ocean marine.....				0	0		0	0.0
9. Inland marine.....				0	0		0	0.0
10. Financial guaranty.....				0	0		0	0.0
11.1 Medical professional liability - occurrence.....				0	0		0	0.0
11.2 Medical professional liability - claims-made.....				0	0		0	0.0
12. Earthquake.....				0	0		0	0.0
13. Group accident and health.....				0	0		0	0.0
14. Credit accident and health (group and individual).....				0	0		0	0.0
15. Other accident and health.....				0	0		0	0.0
16. Workers' compensation.....				0	0		0	0.0
17.1 Other liability - occurrence.....				0	0		0	0.0
17.2 Other liability - claims-made.....				0	0		0	0.0
17.3 Excess workers' compensation.....				0	0		0	0.0
18.1 Products liability - occurrence.....				0	0		0	0.0
18.2 Products liability - claims-made.....				0	0		0	0.0
19.1, 19.2 Private passenger auto liability.....	139,395,500	4,346,237		143,741,737	97,378,743	99,432,996	141,687,484	64.9
19.3, 19.4 Commercial auto liability.....	53,696,875	415,823		54,112,698	4,896,665	6,819,483	52,189,880	58.4
21. Auto physical damage.....				0	0		0	0.0
22. Aircraft (all perils).....				0	0		0	0.0
23. Fidelity.....				0	0		0	0.0
24. Surety.....				0	0		0	0.0
26. Burglary and theft.....				0	0		0	0.0
27. Boiler and machinery.....				0	0		0	0.0
28. Credit.....				0	0		0	0.0
29. International.....				0	0		0	0.0
30. Warranty.....				0	0		0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX			0	0		0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX			0	0		0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	0		0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	193,092,375	4,762,060	0	197,854,435	102,275,408	106,252,479	193,877,364	63.1
DETAILS OF WRITE-INS								
3401.				0	0		0	0.0
3402.				0	0		0	0.0
3403.				0	0		0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

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

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire.....				0				0	0
2. Allied lines.....				0				0	0
3. Farmowners multiple peril.....				0				0	0
4. Homeowners multiple peril.....				0				0	0
5. Commercial multiple peril.....				0				0	0
6. Mortgage guaranty.....				0				0	0
8. Ocean marine.....				0				0	0
9. Inland marine.....				0				0	0
10. Financial guaranty.....				0				0	0
11.1 Medical professional liability - occurrence.....				0				0	0
11.2 Medical professional liability - claims-made.....				0				0	0
12. Earthquake.....				0				0	0
13. Group accident and health.....				0				(a).	0
14. Credit accident and health (group and individual).....				0				0	0
15. Other accident and health.....				0				(a).	0
16. Workers' compensation.....				0				0	0
17.1 Other liability - occurrence.....				0				0	0
17.2 Other liability - claims-made.....				0				0	0
17.3 Excess workers' compensation.....				0				0	0
18.1 Products liability - occurrence.....				0				0	0
18.2 Products liability - claims-made.....				0				0	0
19.1, 19.2 Private passenger auto liability.....	78,631,882	1,395,673		80,027,555	16,430,730	920,458		.97,378,743	.21,385,152
19.3, 19.4 Commercial auto liability.....				0				0	0
21. Auto physical damage.....	.2,489,322	.26,095		.2,515,417	.2,359,673	21,575		4,896,665	1,065,232
22. Aircraft (all perils).....				0				0	0
23. Fidelity.....				0				0	0
24. Surety.....				0				0	0
26. Burglary and theft.....				0				0	0
27. Boiler and machinery.....				0				0	0
28. Credit.....				0				0	0
29. International.....				0				0	0
30. Warranty.....				0				0	0
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	0
32. Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	81,121,204	1,421,768	0	82,542,972	18,790,403	942,033	0	102,275,408	22,450,384

DETAILS OF WRITE-INS

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

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

Annual Statement for the year 2016 of the **Safe Auto 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.....	5,056,444			5,056,444
1.2 Reinsurance assumed.....	340,688			340,688
1.3 Reinsurance ceded.....				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	5,397,132	0	0	5,397,132
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		30,093,779		30,093,779
2.2 Reinsurance assumed, excluding contingent.....		420,704		420,704
2.3 Reinsurance ceded, excluding contingent.....				0
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	30,514,483	0	30,514,483
3. Allowances to manager and agents.....				0
4. Advertising.....		10,232,404		10,232,404
5. Boards, bureaus and associations.....	282,106	162,013		444,119
6. Surveys and underwriting reports.....		4,339,518		4,339,518
7. Audit of assureds' records.....	12,775	38,325		51,100
8. Salary and related items:				
8.1 Salaries.....	15,094,064	21,498,481		36,592,545
8.2 Payroll taxes.....	1,124,264	1,810,047		2,934,311
9. Employee relations and welfare.....	2,289,877	3,698,784		5,988,661
10. Insurance.....	66,269	223,270		289,539
11. Directors' fees.....	18,338	141,120		159,458
12. Travel and travel items.....	262,623	225,071		487,694
13. Rent and rent items.....	483,731	1,721,531		2,205,262
14. Equipment.....	34,944	77,903		112,847
15. Cost or depreciation of EDP equipment and software.....	1,954,327	1,942,580		3,896,907
16. Printing and stationery.....	87,827	526,473		614,300
17. Postage, telephone and telegraph, exchange and express.....	566,523	3,814,435		4,380,958
18. Legal and auditing.....	921,313	871,562	486,117	2,278,992
19. Totals (Lines 3 to 18).....	23,198,981	51,323,517	486,117	75,008,615
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		7,474,864		7,474,864
20.2 Insurance department licenses and fees.....	47,552	317,770		365,322
20.3 Gross guaranty association assessments.....		104,408		104,408
20.4 All other (excluding federal and foreign income and real estate).....	2,742	1,521		4,263
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	50,294	7,898,563	0	7,948,857
21. Real estate expenses.....				0
22. Real estate taxes.....			123,041	123,041
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	3,252,673	9,787,743	0	13,040,416
25. Total expenses incurred.....	31,899,080	99,524,306	609,158	(a).....132,032,544
26. Less unpaid expenses - current year.....				0
27. Add unpaid expenses - prior year.....				0
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	31,899,080	99,524,306	609,158	132,032,544

DETAILS OF WRITE-INS

2401. Consulting fees.....	386,988	1,342,017		1,729,005
2402. Hardware & software maintenance.....	704,954	1,949,380		2,654,334
2403. Software licenses.....	856,560	1,581,269		2,437,829
2498. Summary of remaining write-ins for Line 24 from overflow page.....	1,304,171	4,915,077	0	6,219,248
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	3,252,673	9,787,743	0	13,040,416

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

Safe Auto Insurance Company
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....242,185	.....264,841
1.1 Bonds exempt from U.S. tax.....	(a).....2,436,099	.....2,402,508
1.2 Other bonds (unaffiliated).....	(a).....3,091,705	.....3,043,771
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....36,936	.....36,936
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....1,188,598	.....1,196,088
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....1,772,340	.....1,772,340
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....35,335	.....34,559
7. Derivative instruments.....	(f).....46,886	.....46,886
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....8,850,084	.....8,797,930
11. Investment expenses.....	(g).....609,158	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....788,860	.....
15. Aggregate write-ins for deductions from investment income.....	.....0	.....0
16. Total deductions (Lines 11 through 15).....	.....1,398,018	.....
17. Net investment income (Line 10 minus Line 16).....	.....7,399,912	.....

DETAILS OF WRITE-INS

0901.....		
0902.....		
0903.....		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0
1501.....		
1502.....		
1503.....		
1598. Summary of remaining write-ins for Line 15 from overflow page.....	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	0	0

- (a) Includes \$....57,295 accrual of discount less \$....1,805,046 amortization of premium and less \$....95,584 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$....1,772,340 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$....28,273 accrual of discount less \$....1,313 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$....788,860 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.....	23,435	.....	23,435	.....	.....
1.1 Bonds exempt from U.S. tax.....	252,072	.....	252,072	.....	.....
1.2 Other bonds (unaffiliated).....	132,056	.....	132,056	.....193,637	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	0	.....(28,387)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	1,212,347	(1,027,128)	185,219	5,047,442	.....
2.21 Common stocks of affiliates.....	.....	.....	0	.....	.....
3. Mortgage loans.....	.....	.....	0	.....	.....
4. Real estate.....	.....	.....	0	.....	.....
5. Contract loans.....	.....	.....	0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	0	.....	.....
7. Derivative instruments.....	(33,663)	.....	(33,663)	35,531	.....
8. Other invested assets.....	.....	.....	0	1,226,520	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	1,586,247	(1,027,128)	559,119	6,474,743	0

DETAILS OF WRITE-INS

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

Safe Auto Insurance Company
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....		17,202	17,202
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....	60,629	126,094	65,465
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	60,629	143,296	82,667
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	6,528,095	8,070,810	1,542,715
21. Furniture and equipment, including health care delivery assets.....	679,695	823,162	143,467
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	501,478	796,163	294,685
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	7,769,897	9,833,431	2,063,534
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	7,769,897	9,833,431	2,063,534

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid expenses.....	491,353	685,980	194,627
2502. Postage meter receivable.....	10,125	110,183	100,058
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	501,478	796,163	294,685

NOTES TO FINANCIAL STATEMENTS**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices**

1. The accompanying financial statements of Safe Auto Insurance Company ("the Company") have been prepared on the basis of accounting practices prescribed or permitted by the Insurance Department of the State of Ohio. The Insurance Department of the State of Ohio recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

	SSAP#	F/S Page	2016	2015
Net Income				
(1) Safe Auto Insurance Company, Ohio basis <i>Page 4, Line 20, Columns 1 & 2)</i>	XXXXX	XXXXX	12,975,585	8,352,500
(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)	XXXXX	XXXXX	12,975,585	8,352,500
Surplus				
(5) Safe Auto Insurance Company, Ohio basis <i>Page 3, Line 37, Columns 1 & 2)</i>	XXXXX	XXXXX	164,738,529	156,885,285
(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)	XXXXX	XXXXX	164,738,529	156,885,285

B. Use of Estimates

1. The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts in these financial statements and notes. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

1. Premiums written are deferred and earned pro rata over the terms of the related insurance policies. Depending on the state, policy fees are either recognized in premiums earned on the effective date of the respective insurance policy or over the term of the policy. Unearned premium reserves represent the portion of premiums written that are applicable to the unexpired terms of the policies in-force, and are determined on a daily pro rata basis.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as advertising, premium taxes and sales commissions, are charged to operations as incurred. The Company has not modified its capitalization policy from the prior period.

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

2. In addition, the company uses the following accounting policies:

- A. Short-term investments are reported at amortized cost.
- B. Bonds not backed by other loans that are designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost, using the interest method. All other bonds (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.
- C. Unaffiliated common stocks are stated at fair value.
- D. The company's preferred stock is stated at fair value.
- E. Not Applicable
- F. Loan-backed securities are reported at either amortized cost using the interest method or, if non-investment grade, at the lower of amortized cost, fair value or at the present value of future cash flows. The retrospective adjustment method is used to value all loan-backed securities, except for interest only securities, EITF 99-20 eligible securities or securities where the yield has become negative that are valued using the prospective method.
- G. Subsidiaries are stated at their underlying audited GAAP equity.
- H. Other invested assets are stated at lower of cost or fair value, except for investments in limited partnerships (LPs) or limited liability companies (LLCs). Investments in LPs and LLCs are stated at the underlying audited GAAP equity of the investee, unless ownership is less than 5% or the investee invests in market priced funds. Investments in LPs and LLCs that invest in market priced funds are stated at the underlying audited GAAP equity of the investee, regardless of the ownership percentage. Otherwise, investments in LPs and LLCs, where ownership is less than 5% are stated at cost. Investments are non-admitted if no audit of the investee is completed.
- I. The Company owns derivatives which are stated at fair value.
- J. The Company does utilize anticipated investment income as a factor in the premium deficiency calculation.
- K. Unpaid losses and loss adjustment expenses ("LAE") include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- L. The Company did not change its capitalization policy in 2016.

NOTES TO FINANCIAL STATEMENTS**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

In 2016 the Company changed accounting for an LLC investment from recording the asset at cost to recording the asset on the equity method, based on a re-assessment of the nature of the investment and increased holdings. The Company has ownership in the LLC of just under 3% as of December 31, 2016. The underlying assets of the LLC are invested in a fund that is priced to fair market based on the public equity positions held in the fund and the Company believes that the equity method more appropriately reflects the economic interest in the LLC. The change added \$1,291,985 to the invested asset at December 31, 2016. The Company has not restated its previous financial statements as it has deemed the prior year impact to be immaterial to Company surplus (approximately 0.7% of surplus) at December 31, 2015.

3. BUSINESS COMBINATIONS AND GOODWILL

None

4. DISCONTINUED OPERATIONS

None

5. INVESTMENTS**A. Mortgage Loans**

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

1. Prepayment assumptions for Agency Mortgage-Backed Securities and Collateralized Mortgage Obligations were generated using a third-party prepayment model. The multi-factor model captures house price change trends, housing turnover, borrower default, and refinance incentive, among other factors. On an ongoing basis, we monitor the rate of prepayment and calibrate the model to reflect actual experience, market factors, and viewpoint.

2. The Company had no loan backed securities with a 2016 recognized OTTI.

3. None

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been

a. The aggregate amount of unrealized losses:

1) Less Than 12 Months	\$	(661,753)
2) Greater Than 12 Months	\$	(103,726)

recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-

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

1) Less Than 12 Months	\$	36,436,210
2) Greater Than 12 Months	\$	12,936,603

recognized interest related impairment remains):

5. Recommendations for potential impairments are based on periodic analytical reviews and/or Company specified OTTI requirements.

Analysis relies on actual collateral performance measurements including, but not limited to prepayment rates, default rates, delinquencies and loss severity sourced through third party data providers.

E. Repurchase Agreements and/or Securities Lending Transactions

None

F. Real Estate

1. The Hemingway, South Carolina building is no longer in use and is up for sale. Through December 31, 2016, The Company has recognized an impairment loss of \$492,265, based on an appraisal of the building. The impairment is recognized on the Balance Sheet-Real Estate, property held for sale.
2. As of December 31, 2016, the Company's building in Hemingway, South Carolina is being held for sale.
3. None
4. None
5. None

G. For Investments in Low Income Housing Tax Credits

None

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted								Percentage		
	Current Year						8	9	10	11	
	1	2	3	4	5	6					
	Total General Account (G/A)	G/A Supporting Protected Call Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increased/Decreased (5 minus 6)	Total Non Admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
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 agreements	-	-	-	-	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
g. Pledge under option contracts	-	-	-	-	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	-	-
i. FHLB capital stock											
j. On deposit with states	2,806,220	-	-	-	2,806,220	2,803,281	2,938	-	2,806,220	0.94%	0.957%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets held under funding agreements)	-	-	-	-	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-	-	-	-	-
o. Total Restricted Assets	\$ 2,806,220	\$ -	\$ -	\$ -	\$ 2,806,220	\$ 2,803,281	\$ 2,938	\$ -	\$ 2,806,220	0.94%	0.957%

Restricted Assets
1. The Company's restricted assets are displayed in the table below.

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Reference Security (YES/NO)
02376CAP0	\$ 246,875	\$ 247,969	\$ 246,875	NO
20337EAN1	\$ 197,006	\$ 199,179	\$ 197,006	NO
20774YJ81	\$ 500,000	\$ 492,780	\$ 500,000	NO
3134G9VW4	\$ 160,024	\$ 159,737	\$ 160,000	NO
369604BM4	\$ 308,000	\$ 290,290	\$ 308,000	NO
46625HHA1	\$ 277,813	\$ 258,875	\$ 259,182	NO
564759PS1	\$ 206,000	\$ 197,044	\$ 200,000	NO
842400FU2	\$ 218,250	\$ 221,750	\$ 211,021	NO
912810PV4	\$ 667,978	\$ 644,652	\$ 631,111	NO
912828JE1	\$ 507,941	\$ 581,684	\$ 502,456	NO
912828MF4	\$ 244,932	\$ 294,012	\$ 248,510	NO
912828PP9	\$ 256,119	\$ 289,983	\$ 253,520	NO
949746PM7	\$ 290,000	\$ 261,250	\$ 260,594	NO
Total	\$ 4,080,938	\$ 4,139,203	\$ 3,978,276	XXX

2. None
3. None
4. None
Working Capital Finance Investments
None
Offsetting and Netting of Assets and Liabilities
None
Structured Notes

L. 5* Securities
None

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

NOTES TO FINANCIAL STATEMENTS

B. None

7. INVESTMENT INCOME

A. Accrued Investment Income

1. The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

None

8. DERIVATIVE INSTRUMENTS

A. The Company is exposed to market risks, primarily security price volatility, related to derivative financial instruments.

B. The Company takes positions from time to time in certain derivative financial instruments to increase investment returns. Financial instruments are used for such purposes include call options.

(1) DTA/DTL Components Description	2016 Ordinary	2016 Capital	Total	2015 Ordinary	2015 Capital	Total	2016 Ordinary	Change Capital	Total
(a) Gross deferred tax assets	14,702,443	1,008,696	15,801,139	14,942,431	1,476,233	16,421,664	(146,986)	(470,538)	(620,528)
(b) Statutory valuation allowance adjustment	0	0	0	0	0	0	0	0	0
(c) Adjusted gross deferred tax assets	14,702,443	1,008,696	15,801,139	14,942,431	1,476,233	16,421,664	(146,986)	(470,538)	(620,528)
(d) Deferred tax assets remeasured	0	0	0	0	0	0	0	0	0
(e) Net admitted deferred tax assets	14,702,443	1,008,696	15,801,139	14,942,431	1,476,233	16,421,664	(146,986)	(470,538)	(620,528)
(f) Deferred tax liabilities	(5,387,187)	(4,047,080)	(9,444,267)	(5,517,477)	(1,786,884)	(7,304,161)	120,310	(2,260,408)	(2,140,098)
(g) Net admitted deferred tax assets/(Net deferred tax liability)	9,315,276	(3,038,395)	6,356,881	9,424,954	(307,451)	9,117,503	(29,675)	(2,730,944)	(2,760,822)
(2) Admission calculation components:									
Description	2016 Ordinary	2016 Capital	Total	2015 Ordinary	2015 Capital	Total	2016 Ordinary	Change Capital	Total
Admission calculation under ¶11.a.-¶11.c.									
(a) FIT recoverable by loss carryback (¶11.a.)	9,457,816	298,728	9,754,544	8,595,508	437,890	9,033,458	2,882,250	(141,182)	2,751,068
(b) Expected to be realized (¶11.b.) (lower of 1. or 2.)	623,083	0	623,083	4,283,803	0	4,283,803	(3,640,720)	0	(3,640,720)
1. Expected to be realized (¶11.b.i.)	623,083	0	623,083	4,283,803	0	4,283,803	0	0	0
2. Surplus limitation (¶11.b.ii.)	24,710,776	0	24,710,776	23,532,783	0	23,532,783	0	0	0
(c) DTL offset (¶11.c.)	4,711,543	711,000	5,422,543	4,113,060	1,041,343	5,154,403	806,463	(328,377)	208,108
(d) Total admitted under ¶11.a.-¶11.c.	14,702,444	1,008,696	15,801,139	14,942,431	1,476,233	16,421,664	(146,986)	(470,538)	(620,528)
Deferred tax liabilities	(5,387,187)	(4,047,080)	(9,444,267)	(5,517,477)	(1,786,884)	(7,304,161)	120,310	(2,260,408)	(2,140,098)
Net admitted deferred tax assets/liability under ¶11.a.-¶11.c.	9,315,277	(3,038,395)	6,356,881	9,424,954	(307,451)	9,117,503	(29,675)	(2,730,944)	(2,760,822)
(3) Information used in expected to be realized calculation (¶11.b.)									
Description	2016 Ordinary	2016 Capital	Total	2015 Ordinary	2015 Capital	Total	2016 Ordinary	Change Capital	Total
(a) Ratio Percentage used to determine recovery period and threshold	603%	60%							
limitation amount									
(b) Adjusted capital and surplus	164,738,529	166,865,265							
(4) Impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs:									
Description	2016 Ordinary	2016 Capital	Total	2015 Ordinary	2015 Capital	Total	2016 Ordinary	Change Capital	Total
Adjusted gross DTAs - Amount (Memo Entry)	3,986,625	1,008,696	4,995,320	2,827,645	1,476,233	4,000,878	1,430,980	(470,036)	600,442
(a) Adjusted gross DTAs - Percentage	25.1%	8.0%	31.4%	15.4%	9.0%	24.4%	9.7%	-2.6%	7.0%
Net admitted DTAs - Amount (Memo Entry)									
(b) Net admitted DTAs - Percentage	62.3%	16.0%	78.1%	27.7%	16.2%	43.9%	34.6%	-0.4%	34.2%
(c) Did the company and/ or have a tax planning strategy involving m/s	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>					

(1) Current income taxes incurred consist of the following major components:

Description	2016	2015
(a) Current federal income tax expense	5,771,867	4,463,942
(b) Foreign taxes	0	0
(c) Subtotal	5,771,867	4,463,942
(d) Tax on capital gains/(losses)	(274,847)	83,240
(e) Utilization of capital loss carryforwards	0	0
(f) Other, including prior year underaccrual (overaccrual)	(327,249)	(980,738)
(g) Federal and foreign income taxes incurred	5,169,772	3,566,443

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

statement date. On exercise, premiums received are recognized immediately by combining them with the gains (losses) on the covering asset. Upon expiration or other closing transaction, gains (losses) are recognized immediately as a component of realized gains (losses). The Company recognized net realized losses of \$33,663 in 2016. There was no investment in options in 2015.

D. Not applicable.

E. As of December 2016, the Company had net unrealized gain on open call options of \$35,533, with a total "write-in" value of \$68,135. The Company had no net unrealized gains on open call options and no total "write in" value as of December 31, 2015.

F. None

9. INCOME TAXES

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

B. Temporary differences for which DTLs have not been established:

Not applicable

C. Current tax and change in deferred tax:

C. The Company writes call options on certain common stocks it owns to enhance returns to the extent of the premium received. The premium received for a written option is recorded as a "write-in liability" until the option is exercised, expires or is otherwise terminated. The liability is marked to market at each

NOTES TO FINANCIAL STATEMENTS

(2) DTAs Resulting From Book/Tax Differences In	December 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Discounting of unpaid losses and LAE	860,234	998,028	(137,794)
(2) Unearned premiums	5,570,307	5,247,436	322,670
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrued	0	0	0
(7) Fixed assets	1,929,801	1,570,947	358,854
(8) Compensation and benefit accruals	2,737,014	2,569,693	167,321
(9) Pension accruals	0	0	0
(10) Nonadmitted assets	2,719,484	3,441,701	(722,217)
(11) Net operating loss carryforward	0	0	0
(12) Tax credit carryforward	0	13,121	(13,121)
(13) Other (separately disclose items >5%)	975,625	1,101,505	(125,880)
(g) Gross ordinary DTAs	14,792,443	14,942,431	(149,988)
(b) Statutory valuation adjustment adjustment - ordinary	0	0	0
(c) Nonadmitted ordinary DTAs (-)	0	0	0
(d) Admitted ordinary DTAs	14,792,443	14,942,431	(149,988)
(e) Capital			
(1) Investments	989,095	1,459,633	(470,538)
(2) Net capital loss carryforward	0	0	0
(3) Real estate	19,600	19,600	0
(4) Other (separately disclose items >5%)	0	0	0
(5) Unrealized capital losses	0	0	0
(g) Gross capital DTAs	1,008,695	1,479,233	(470,538)
(f) Statutory valuation adjustment adjustment - capital (-)	0	0	0
(g) Nonadmitted capital DTAs (-)	0	0	0
(h) Admitted capital DTAs	1,008,695	1,479,233	(470,538)
(i) Admitted DTAs	15,801,138	16,421,664	(620,526)
(3) DTLs Resulting From Book/Tax Differences In	December 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Investments	(63,655)	(50,190)	(13,465)
(2) Fixed assets	0	0	0
(3) Deferred and uncollected premiums	0	0	0
(4) Policyholder reserves/salvage and subrogation	(42,783)	(58,786)	16,003
(5a) Other (Capitalized Software)	(5,055,178)	(5,055,178)	0
(5b) Other (separately disclose items >5%)	(235,551)	(353,323)	117,772
(g) Ordinary DTLs	(5,397,167)	(5,517,477)	120,310
(b) Capital			
(1) Investments	0	0	0
(2) Real estate	0	0	0
(3) Other (separately disclose items >5%)	0	0	0
(4) Unrealized capital gains	(4,047,090)	(1,786,684)	(2,260,406)
(g) Capital DTLs	(4,047,090)	(1,786,684)	(2,260,406)
(c) DTLs	(9,444,257)	(7,304,161)	(2,140,096)
(d) Net deferred tax assets/liabilities	6,356,881	9,117,503	(2,760,622)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2016	December 31, 2015	Change
Total deferred tax assets	15,801,138	16,421,664	(620,526)
Total deferred tax liabilities	(9,444,257)	(7,304,161)	(2,140,096)
Net deferred tax assets/liabilities	6,356,881	9,117,503	(2,760,622)
Statutory valuation allowance adjustment (*see explanation below)	0	0	0
Net deferred tax assets/liabilities after SVA	6,356,881	9,117,503	(2,760,622)
Tax effect of unrealized gains/(losses)	4,047,090	1,786,684	2,260,406
Deferred tax assets/liabilities, excluding taxes on unrealized gain/(loss)	10,403,971	10,904,187	(500,216)
Prior period deferred true-up adjustment			2
Change in net deferred income tax [(charge)benefit]			(500,214)

NOTES TO FINANCIAL STATEMENTS**D. Reconciliation of federal income tax rate to actual effective rate:**

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	2016		2015	
	Tax Effect	Effective Tax Rate	Tax Effect	Effective Tax Rate
Income before taxes	6,350,875	35.0%	4,171,829	23.0%
Tax-exempt interest	(853,545)	-4.7%	(806,878)	-4.4%
Dividends received deduction	(89,223)	-0.5%	(105,989)	-0.6%
Provision	141,415	0.8%	136,780	0.8%
Non deductible expenses	(340,883)	-1.9%	124,749	0.7%
Statutory valuation allowance adjustment	0	0.0%	(4,258,481)	-23.5%
Deferred taxes on nonadmitted assets	722,237	4.0%	1,330,328	7.3%
Other, including Prior Year True-Up	(280,891)	-1.4%	(937,458)	-5.2%
Total	5,869,986	31.25%	(345,300)	-1.9%
 Federal income taxes incurred [expense/(benefit)]	 5,444,618	 30.0%	 3,849,883	 20.1%
Tax on capital gains/(losses)	(274,847)	-1.5%	(83,240)	-0.5%
Change in net deferred income tax [charge/(benefit)]	500,214	2.8%	(3,911,743)	-21.6%
Total statutory income taxes	6,869,986	31.2%	(345,300)	-1.9%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

At December 31, 2016 the Company had no net operating loss carryforwards, capital loss carryforwards, or AMT credit carryforwards.

The following is income tax expense for 2014, 2015 and 2016 that is available for recoupment in the event of future net losses.

Year	Ordinary	Capital	Total
	NA		
2014		711,009	711,009
2015	3,889,310	330,623	4,219,933
2016	5,771,868	(274,847)	5,497,022
Total	9,661,179	786,785	10,427,964

Deposits admitted under IRC § 6603

None

F. The Company's federal income tax return is consolidated with the following entities:

1. Safe Auto Insurance Group, Inc., Safe Auto Group Agency, Inc., SafeAuto Realty, LLC, AutoTex MGA, Inc. and SafeAuto Services, LLC.
2. The Company has a tax sharing agreement with its parent whereby federal income tax expense is determined as if the Company filed a separate federal income tax return and payments for this liability are made to the parent and included with balances reports as Payable to parent, subsidiaries and affiliates.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES and OTHER RELATED PARTIES**A. Nature of Relationships**

1. The Company is a wholly owned subsidiary of Safe Auto Insurance Group, Inc. (Parent), a privately held company incorporated in Ohio.
2. As of December 31, 2016 the Company has contributed \$4,111,147 to SafeAuto Capital, LLC, which is invested in a private equity fund. The Company owns 100% of SafeAuto Capital, LLC.

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

1. The Company participates in a cash sweep program with Safe Auto Group Agency. Within terms of the program the companies may commingle cash balances in a bank account owned by the Company.
2. Safe Auto Group Agency negotiates, manages, and purchases certain advertising for Safe Auto Insurance Company, sells and services certain insurance policies on the behalf of Safe Auto Insurance Company, and is reimbursed 100% by Safe Auto Insurance Company for all costs incurred to provide such services (see Note 10-F).
3. The Company paid dividends to the Parent of \$10,900,000 and \$10,250,000 during 2016 and 2015, respectively.
4. No other transactions exceeding the 1/2% limit occurred in 2016 or 2015.

C. Change in Terms of Intercompany Arrangements

None

D. Amounts Due to or From Related Parties

1. The Company had receivables from Safe Auto Group Agency of \$57,314 and \$219,223 as of December 31, 2016 and 2015, respectively. The Company also had payables to Safe Auto Group Agency of \$709,521 and \$2,736,530 as of December 31, 2016 and 2015, respectively.
2. SAGI Realty Ltd. (SAGI), a subsidiary of SafeAuto Realty, LLC., owns a facility which was used by SAIC up until April 30, 2016, as a center for customers to speak with representatives face to face. The Company paid rent on this property of \$4,800 and \$14,400 in 2016 and 2015, respectively. The Company had receivables of \$5,161 and \$6,931 as of December 31, 2016 and 2015, respectively. The Company also had a payable of \$1,200 to SAGI Realty as of December 31, 2015.
3. The Company had receivables from Parent of \$584,238 and \$165,153 as of December 31, 2016 and 2015, respectively. The Company also had payables to Parent of \$5,501,664 and \$3,551,292 as of December 31, 2016 and 2015, respectively.
4. The Company had a payable due to SafeAuto Capital of \$138,634 and \$10,495 as of December 31, 2016 and 2015, respectively.
5. The Company had receivables from Safe Auto Realty of \$11,790 and \$36,316 as of December 31, 2016 and 2015, respectively.
6. The Company had receivables from AutoTex MGA, Inc. of \$905,311 and \$1,503,196 as of December 31, 2016 and 2015, respectively.
7. The Company had a receivable from SafeAuto Services, LLC. of \$159,154 as of December 31, 2016.

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

None

F. Management, Service Contracts, Cost Sharing Arrangements

1. Safe Auto Insurance Company and Safe Auto Group Agency are parties of an agency contract. Safe Auto Group Agency provides agency services for Safe Auto Insurance Company by employing certain agents, customer service, and related management personnel while also exclusively providing all advertising and marketing efforts. Safe Auto Insurance Company paid Safe Auto Group Agency \$28,512,976 in 2016 and \$23,988,544 in 2015.
2. In August 2012, the Company and its parent entered into an agreement whereby Company provides services to the parent and its subsidiaries. This agreement was approved by the Ohio Department of Insurance. The parent and subsidiaries paid the Company \$2,202,877 and \$1,190,654 for these services in 2016 and 2015, respectively.
3. All such management, service contracts, and cost sharing agreements mentioned are transacted at cost and provide no profit provision to the service provider.

G. Nature of Relationships that Could Affect Operations

1. All outstanding shares of the Company are owned by Parent.

H. Amount Deducted for Investment in Upstream Company

None

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

None

J. Write down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

None

K. Foreign Subsidiary Valued Using CARVM

None

L. Downstream Holding Company Valued Using Look-Through Method

None

M. All SCA Investments except investments in insurance SCA entities

None

N. All investments in insurance SCA entities.

None

11. DEBT**A. None****a. Aggregate Totals****B. FHLB**

1. Current Year		1	2	3
		Total	General	Protected Cell
		2 + 3	Account	Accounts
(a) Membership Stock - Class A		0	0	0
(b) Membership Stock - Class B		550,947	550,947	0
(c) Activity Stock		0	0	0
(d) Excess Stock		138,553	138,553	0
(e) Aggregate Total		689,500	689,500	0
(f) Actual or estimated borrowing capacity as determined by the insurer		0	.....XXX	.....XXX

(Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLBC) of Cincinnati. Through its membership, the Company may conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as backup liquidity. The Company's borrowing capacity is \$10,000,000.

FHLB Capital Stock

2.

2. Prior Year-end		1	2	3
		Total	General	Protected Cell
		2 + 3	Account	Accounts
(a) Membership Stock - Class A		0	0	0
(b) Membership Stock - Class B		550,947	550,947	0
(c) Activity Stock		0	0	0
(d) Excess Stock		138,553	138,553	0
(e) Aggregate Total		689,500	689,500	0
(f) Actual or estimated borrowing capacity as determined by the insurer		0	.....XXX	.....XXX

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

Membership Stock	Current Year Total	Not Eligible for Redemption	6 Months	1 to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
			Less Than 6 Months	1 Year	3 Years	
1. Class A	0	0	0	0	0	0
2. Class B	550,947	550,947	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

- 3. No collateral pledged to FHLB in 2016 or 2015.
- 4. The Company did not borrow from FHLB in 2016 or 2015.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND POSTEMPLOYMENT BENEFITS

- A. None
- B. None
- C. None
- D. None
- E. The Company sponsors a defined contribution 401(k) Employee Savings and Profit Sharing Plan (the "401(k) Plan") which allows eligible employees to contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations, to an individual 401(k) retirement savings account. The Company makes matching contributions equal to 50% of the employee contributions, up to 8% of total employee compensation, and may make periodic discretionary contributions. The Company's contributions to this Plan were \$846,195 and \$834,109 for the years ended December 31, 2016 and 2015, respectively.

The Company also sponsors a non-qualified deferred compensation arrangement for certain executives and directors of the Company. Participating executives and directors may contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations. The Company makes matching contributions equal to 50% of the employee contribution up to 8% of total executive compensation when coordinated with the executives' contributions to the 401(k) plan. There are no matching contributions for directors.

- F. None
- G. None
- H. None
- I. None

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- 1. Outstanding Shares
 - The Company has 750 shares of \$25,000 par value common stock authorized and 100 shares issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.
- 2. Dividend Rate of Preferred Stock
 - Not applicable
- 3. Dividend Restrictions
 - Under the insurance regulations of Ohio, the maximum amount of ordinary dividends that the Company may pay to shareholders in a 12 month period is limited to the greater of 10% of the most recent year-end policyholders' surplus or the net income for that same year-end excluding realized capital gains. Accordingly, the maximum amount of ordinary dividends that the Company may pay in the next year is \$16,473,853. Dividends above this amount would be deemed extraordinary and may not be paid unless:
 - 1) not disapproved by the Commissioner of Insurance of Ohio within 30 days of receiving notice of the declaration thereof or
 - 2) approved within that thirty day period.
- 4. Dividend Payments
 - The Company paid dividends to the Parent of \$10,900,000 and 10,250,000 in 2016 and 2015, respectively.
- 5. Ordinary Dividends
 - Within the limitations noted in note 13.3 above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 6. Restrictions on Surplus
 - There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 7. Mutual Surplus Advances
 - Not applicable
- 8. Company Stock Held for Special Purposes
 - None
- 9. Changes in Special Surplus Funds
 - None
- 10. Changes in Unassigned Funds
 - The portion of unassigned funds (surplus) represented by an increase in cumulative unrealized gains is \$7,532,467.
- 11. Surplus Notes
 - None
- 12. & 13. Quasi Reorganizations
 - None

14. LIABILITIES, CONTINGENCIES, and ASSESSMENTS

NOTES TO FINANCIAL STATEMENTS

A. Contingent Commitments

1. The Company has no commitments or contingent commitments to affiliates or other entities, or has made no guarantees on behalf of affiliates.
2. Not applicable
3. Not applicable

B. Assessments

1. The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessment or in the case of premium based assessments, at the time the premiums were written, or in the case of loss based assessments, at the time the losses are incurred.
2. The Company determined there are no accruals needed at this time. This represents management's best estimate based on information received from the states in which the Company writes business and may change if different information is received from a state.

C. Gain Contingencies

1. The Company does not have any material gain contingencies.

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

The Company is named, from time to time and in the ordinary course of business, as a defendant in legal actions arising principally from claims made under its insurance contracts, including those seeking extra-contractual damages beyond policy limits. These are commonly referred to as extra-contractual or bad faith claims. The Company is presently defending two such matters. In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Such legal actions are considered by the Company in estimating the loss and LAE reserves.

At this time, the Company does not believe that any other legal action necessitates recognition of losses or disclosure, or that the resolution of such action would have a material adverse effect on the Company's financial position or results of operations.

During 2016 and 2015, the Company paid \$75,000 and \$8,112, respectively, net of reimbursements relating to less than 25 claims. The claim count information is disclosed on a "per claim" basis.

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies

1. The

	<u>Year ending December 31</u>	<u>Operating leases</u>
and	2017	\$ 209,650
	2018 and thereafter	110,986
lawsuits	Total	<u>\$ 320,616</u>

Company is also, from time to time and in the ordinary course of business, faced with class action lawsuits, regulatory proceedings, individual lawsuits that are not directly related to its insurance contracts. Such matters presently include two putative class action – one alleging the Company improperly charged premium to certain customers and, the other alleging the Company failed to correctly

pay overtime wages to certain employees. In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Likewise, the Company does not establish reserves for those matters where the loss is not probable and/or it currently is unable to estimate the Company's potential exposure. If either or both of the existing class action suits result in a judgment against, or settlement by, the Company in an amount significantly in excess of the reserve established for that matter, if any, the resulting liability could have a material effect on the Company's financial condition, cash flows, and results of operations. While the Company continues to vigorously defend its position in the aforementioned matters and assess its legal positions, it has established reserves in the amount of \$286,000 with respect to such exposures.

15. LEASES

A. Lessee Leasing Arrangements

1. The Company leases equipment and a facility under multiple non-cancelable operating lease agreements that expire in December 2017 and 2019. Rental expense for 2016 and 2015 was \$366,248 and \$347,269 respectively.
2. At December 31, 2016, the future minimum rental payments are as follows:

The Company is not involved in any sale-leaseback transactions.

B. Lessor Leasing Arrangements

Not applicable

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS

Not applicable

NOTES TO FINANCIAL STATEMENTS

Name and Address	FEI Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Direct Premium Written	17. SALE,
SCJ Insurance Services 5860 West Las Positas Blvd. Suite 25 Pleasanton, CA 94588	94-2297460	Yes	Private Passenger Automobile	P	14,923,150	

TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

None

18. GAIN OR LOSS FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

None

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

The Company uses a general agent (GA) to write and administer private passenger automobile insurance products in the State of California. The general agent writes direct premiums greater than 5% of policyholder surplus. The terms of the GA contract give the GA authority for premium collection. The Company sets pricing and underwriting guideline authority for all policies issued under this agreement. In the third quarter of 2015 the contract was terminated for new business.

In April 2015, the Parent completed a purchase of AutoTex MGA, Inc. a managed general agent (MGA). The Company assumes (reinsures) a majority of the new business written by AutoTex MGA, Inc. on the books of two unaffiliated insurance carriers. The MGA writes direct and assumed premiums less than 5% of policyholder surplus.

	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total	
	Assets at fair value					
	Perpetual Preferred Stock					
	Industrial and Misc	\$ -	\$ 678,410	\$ -	\$ 678,410	
	Parent, Subsidiaries, and Affiliates	-	-	-	-	
20. FAIR	Total Perpetual Preferred Stocks	\$ -	\$ 678,410	\$ -	\$ 678,410	VALUE
	Bonds					
	U.S. Governments	-	-	-	-	
	Industrial and Misc	-	2,863,052		2,863,052	
	Hybrid Securities	-			-	
	Parent, Subsidiaries, and Affiliates	-			-	
	Total Bonds	\$ -	\$ 2,863,052	\$ -	\$ 2,863,052	
	Common Stock					
	Industrial and Misc	47,752,872	689,500	-	48,442,372	
	Parent, Subsidiaries, and Affiliates	-	-	-	-	
	Total Common Stock	\$ 47,752,872	\$ 689,500	\$ -	\$ 48,442,372	
	Short Terms					
	Exempt Money Market Mutual Funds	\$ -	\$ -	\$ -	\$ -	
	Total Short Terms	\$ -	\$ -	\$ -	\$ -	
	Total assets at fair value	\$ 47,752,872	\$ 4,230,962	\$ -	\$ 51,983,834	
	Liabilities					
	Derivatives	-	-	68,135	68,135	
	Total Liabilities at fair value	-	-	68,135	68,135	

MEASUREMENT

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Assets recorded on the financial statements at fair value measurements by accounting hierarchy levels 1, 2 and 3.

The Company has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the following table. The Company had no liabilities recorded at fair value.

The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by ASC 820 *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are defined as follows:

NOTES TO FINANCIAL STATEMENTS

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practical
Financial instruments - assets						
Bonds	207,128,576	205,578,327	8,835,540	197,102,966	1,190,070	-
Preferred Stocks	678,410	678,410	-	678,410	-	-
Common Stocks	48,442,372	48,442,372	47,752,872	689,500	-	-
Cash, cash equivalents and short-term investments	14,450,978	14,451,033	8,971,652	5,479,326	-	-
Total assets	270,700,336	269,150,142	65,560,064	203,950,202	1,190,070	-
Financial instruments - liabilities						
Derivatives	68,135	103,667	-	-	68,135	-
Total Liabilities	68,135	103,667	-	-	68,135	-

Reclassifications impacting Level 3 financial instruments are reported as transfers in (out) of the Level 3 category as of the beginning of the quarter in which the transfer occurs; gains and losses in income only reflect activity for the period the instrument was classified in Level 3. The same policy is followed when a transfer between Level 1 and Level 2 occurs.

There were no transfers between Level 1 and Level 2 assets during the current period.

2. Roll forward of Level 3 items

There were no transfers in or out of Level 3 securities in 2016.

3. Policy on Transfers Into and out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

4. Fair value measurements for fixed income and equity securities are based on values either published by the NAIC's Security Valuation Office (SVO) or from an independent pricing service vendor. Under certain circumstances, if neither an SVO price nor a Vendor price is available, a price may be obtained from a broker. Short term securities and cash equivalents are valued at amortized cost.

When published prices from the SVO are not available, the Company relies predominately on independent pricing service vendors that have been evaluated and approved by our investment management company's internal pricing policy committee. Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation.

NOTES TO FINANCIAL STATEMENTS

Certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used by the Company to determine the appropriate fair value hierarchy. Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with the Company's pricing policy. Market Information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

		Book Adjusted Carrying Value (excluding Actual Costs interest)			Other-Than- Temporary Impairment Losses Recognized	Applicable Applicable	
		Residential mortgage-backed securities	\$ 122,409	\$ 122,753	\$ 123,216	\$ 169	
		Collateralized debt obligations	1,191,603	273,720	490,070	1,013,659	
		Other structured securities	-	-	-	-	
		Total Other Investments	\$ 1,314,012	\$ 396,473	\$ 613,286	\$ 1,013,828	

for under (subsidiaries, limited liability companies, etc.). The fair values are also categorized into the three-level hierarchy as described above in Note 20A.

D. Not Applicable

21. OTHER ITEMS

- A. Unusual or Infrequent Items
 - None
- B. Troubled Debt Restructuring for Debtors
 - None
- C. Other Disclosures
 - None
- D. Business Interruption Insurance Recoveries
 - None
- E. State Transferable and Non-transferable Tax Credits
 - None
- F. Subprime-Mortgage Related Risk Exposure
 - 1. Subprime Mortgage Exposures

The Company has invested in collateralized fixed income securities, such as residential mortgage-backed securities ("MBS") and collateralized debt obligations ("CDO"). Through certain investments, the Company is subject to additional default risk exposure as these securitizations were collateralized by mortgages that have characteristics of subprime lending. Such characteristics include, but are not limited to, an interest rate above prime to borrowers who do not qualify for prime rate loans, borrowers with low credit ratings, unconventionally high initial loan-to-value ratios, low initial payments based on a fixed introductory rate that expires after a short initial period, and borrowers with less than conventional documentation of their income or net assets.

While inherently subject to realized losses resulting from rising defaults or foreclosures, the Company's conservative investment practices of only investing in MBS and CDO's which carry the highest or higher credit ratings (AA or better) and actively monitoring the underlying collateral performance should limit such losses. As such, the Company currently believes that its exposure to unrealized losses from declines in asset values, as the market adjusts to risk aversion and liquidity issues, is greater than its exposure to realized losses resulting from receiving less than anticipated cash flows. The Company intends to hold these fixed income investments until maturity or recovery, and does not anticipate sale of assets to meet future cash flow requirements.

2. Direct Exposure—Mortgage Loans

The Company does not have any investments with direct exposure in subprime mortgage loans.

3. Direct Exposure—Other Investments

The Company has invested in residential mortgage-backed securities and collateralized debt obligations. While the fair value of these fixed income investments may fluctuate, the Company reviewed its MBS and CDO portfolio as of December 31, 2016.

The following is a summary of the Company's other investments with subprime exposure.

NOTES TO FINANCIAL STATEMENTS

4. Underwriting Exposure

The Company does not engage in mortgage guaranty insurance coverage.

G. Insurance-Linked Securities (ILS) Risks

None

22. EVENTS SUBSEQUENT

There were no material subsequent events that occurred after December 31, 2016 and before the release of the financial statements.

23. REINSURANCE

A. Unsecured Reinsurance Recoverables

None

B. Reinsurance Recoverables in Dispute

1. Not applicable

C. Reinsurance Assumed and Ceded

1. The Company is a party in a prospective personal automobile physical damage catastrophe agreement of reinsurance with General Reinsurance Corporation. This reinsurance agreement covers a portion of aggregated losses arising from catastrophic events that exceed a specified retention stated in the agreement. Ceded premiums are calculated primarily based on a percentage of comprehensive premiums earned, and were not material for the year ended December 31, 2016.

The Company assumes business written by AutoTex MGA's independent agents on two non-affiliated insurance carriers. The business assumed through this agreement is in run off. For the year 2016 total assumed premium was \$2,083,033. Related commissions payable is \$59,102.

2. None

3. None

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

G. Reinsurance Accounted for as a Deposit

None

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

Not applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

1. Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation.

None

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

None

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Current year changes in estimates of costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development. Decreases in those estimates decrease current year expense and are referred to as favorable development. Current year losses and LAE of \$225,776,445 were higher by \$2,284,462 because of unfavorable development of prior year estimates. This unfavorable development was approximately 1.7% of the prior years' reserves for unpaid losses and LAE.

The increase in prior years' estimates is a result of ongoing analysis of recent loss and expense trends. The increase in estimated losses for prior years of \$6,606,922 is primarily a result of both liability claim frequency and severity for accident year 2015 being above previously projected levels for liability claims. That increase was partially offset by a decrease in prior years' estimated LAE of \$4,322,461, which is primarily the result of lower volumes of open claims for prior years and lower projected DCC cost per claim on accident years 2012-2015 combined with decreased in A&O expenses for those same years.

The Company experienced no prior year claim development on retrospectively rated policies because the Company does not issue retrospectively rated policies.

26. INTERCOMPANY POOLING ARRANGEMENTS

None

NOTES TO FINANCIAL STATEMENTS

27. STRUCTURE SETTLEMENTS

None

28. HEALTH CARE RECEIVABLES

None

29. PARTICIPATING POLICIES

None

30. PREMIUM DEFICIENCY RESERVES

The Company has evaluated for the existence of any premium deficiencies as of December 31, 2016, and it was determined that there were none. Anticipated investment income was taken into account in the calculation.

31. HIGH DEDUCTIBLES

None

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

The Company does not discount liabilities for unpaid loss adjustment expenses.

33. ASBESTOS/ENVIRONMENTAL RESERVES

None

34. SUBSCRIBER SAVINGS ACCOUNTS

None

35. MULTIPLE PERIL CROP INSURANCE

None

36. FINANCIAL GUARANTY INSURANCE

None

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). 09/18/2014

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 entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated with 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 the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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, LLP, 800 Yard Street, Ste. 200, Grandview Heights, OH 43212

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 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:

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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?
Robert Lowery, FCAS (employee), 4 Easton Oval, Columbus, OH 43219

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

12.11 Name of real estate holding company New Albany Apartments, LLC

12.12 Number of parcels involved 1

12.13 Total book/adjusted carrying value \$ 0

12.2 If yes, provide explanation
New Albany is a Limited Liability Company that develops and runs an apartment complex in New Albany, OH. SAIC owns a 19.54% share of the LLC. All capital has been repaid. SAIC maintains an interest in cash flows going forward. Investment is non-admitted for a lack of financial audit but has a fair value of \$60,629 per Sch BA.

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 [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

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

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

(c) Compliance with applicable governmental laws, rules and regulations;

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

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

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

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

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance 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 subordinator committee thereof? Yes [X] No []

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

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

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	\$ <u>0</u>
20.12 To stockholders not officers	\$ <u>0</u>
20.13 Trustees, supreme or grand (Fraternal only)	\$ <u>0</u>

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	\$ <u>0</u>
20.22 To stockholders not officers	\$ <u>0</u>
20.23 Trustees, supreme or grand (Fraternal only)	\$ <u>0</u>

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 reporting 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	\$ <u>0</u>
21.22 Borrowed from others	\$ <u>0</u>
21.23 Leased from others	\$ <u>0</u>
21.24 Other	\$ <u>0</u>

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	\$ <u>0</u>
22.22 Amount paid as expenses	\$ <u>0</u>
22.23 Other amounts paid	\$ <u>0</u>

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

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

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
New England Asset Management	U
Merrill Lynch	U
Raymond James & Associates, Inc.	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 [X] 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 [X]

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
105900	New England Asset Management	KUR85E5PS4GQFZTFC1 30	SEC	NO
7691	Merrill Lynch	8NAV47T0Y26Q87Y0QP8 1	SEC	NO
705	Raymond James & Associates, Inc	U4ONQX15J3R08XCKE9 79	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 [X] No []

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
091936 73 2	BLACKROCK GL L/S CREDIT-INSTL (BGCIX)	797,159
19248A 10 9	COHEN & STEERS INFRASTRUCTURE (UTF)	125,821
277923 72 8	EATON VANCE GLOBAL MACRO-I (EIGMX)	286,244
464287 16 8	ISHARES DJ SELECT DIVIDEND INDEX (DVY)	9,977,056
464287 40 8	ISHARES S&P 500/BARRA VALUE INDEX (IVE)	3,669,449
464287 66 3	ISHARES CORE US VALUE ETF (IUSV)	3,743,350
78462F 10 3	SPDR S&P 500 ETF TRUST	14,389,297
921908 84 4	VANGUARD DIVIDEND APPREC ETF (VIG)	2,640,580
29.2999 TOTAL		35,628,955

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
BLACKROCK GL L/S CREDIT-INSTL (BGCIX)	CHARTER COMMUNICATIONS INC	14,588	12/31/2016
BLACKROCK GL L/S CREDIT-INSTL (BGCIX)	ITRAXX.FINSUB.20.V1	14,030	12/31/2016
BLACKROCK GL L/S CREDIT-INSTL (BGCIX)	UNICREDIT SPA	11,399	12/31/2016
BLACKROCK GL L/S CREDIT-INSTL (BGCIX)	WESTERN DIGITAL CORPORATION	10,602	12/31/2016
BLACKROCK GL L/S CREDIT-INSTL (BGCIX)	DEUTSCHE BANK AG	10,363	12/31/2016
COHEN & STEERS INFRASTRUCTURE (UTF)	NextEra Energy Inc.	4,655	12/31/2016
COHEN & STEERS INFRASTRUCTURE (UTF)	Crown Castle International Corp.	4,278	12/31/2016
COHEN & STEERS INFRASTRUCTURE (UTF)	TransCanada Corp	4,152	12/31/2016
COHEN & STEERS INFRASTRUCTURE (UTF)	Union Pacific Corporation	4,026	12/31/2016
COHEN & STEERS INFRASTRUCTURE (UTF)	American Tower Corporation	4,026	12/31/2016
EATON VANCE GLOBAL MACRO-I (EIGMX)	Yoma Strategic Holdings Ltd - Singapore	801	12/31/2016
EATON VANCE GLOBAL MACRO-I (EIGMX)	Icelandair Group Hf Ord - Iceland	544	12/31/2016
EATON VANCE GLOBAL MACRO-I (EIGMX)	Reitir Fasteignafelag - Iceland	429	12/31/2016
EATON VANCE GLOBAL MACRO-I (EIGMX)	Marel Food Systems HF - Iceland	429	12/31/2016
EATON VANCE GLOBAL MACRO-I (EIGMX)	Hagar Ord - Iceland	429	12/31/2016
ISHARES DJ SELECT DIVIDEND INDEX (DVY)	Lockheed Martin Corp	395,091	12/31/2016
ISHARES DJ SELECT DIVIDEND INDEX (DVY)	CME Group Inc Class A	337,225	12/31/2016
ISHARES DJ SELECT DIVIDEND INDEX (DVY)	Chevron Corp	281,353	12/31/2016
ISHARES DJ SELECT DIVIDEND INDEX (DVY)	Oneok Inc	276,364	12/31/2016
ISHARES DJ SELECT DIVIDEND INDEX (DVY)	Caterpillar Inc	205,527	12/31/2016
ISHARES S&P 500/BARRA VALUE INDEX (IVE)	Exxon Mobil Corp	151,181	12/31/2016

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
ISHARES S&P 500/BARRA VALUE INDEX (IVE)	Berkshire Hathaway Inc Class B	125,128	12/31/2016
ISHARES S&P 500/BARRA VALUE INDEX (IVE)	JP Morgan Chase & Co	124,761	12/31/2016
ISHARES S&P 500/BARRA VALUE INDEX (IVE)	AT&T Inc	105,313	12/31/2016
ISHARES S&P 500/BARRA VALUE INDEX (IVE)	Wells Fargo	100,543	12/31/2016
ISHARES CORE US VALUE ETF (IUSV)	Exxon Mobil Corp	117,167	12/31/2016
ISHARES CORE US VALUE ETF (IUSV)	JP Morgan Chase & Co	97,701	12/31/2016
ISHARES CORE US VALUE ETF (IUSV)	Berkshire Hathaway Inc Class B	95,830	12/31/2016
ISHARES CORE US VALUE ETF (IUSV)	AT&T Inc	81,605	12/31/2016
ISHARES CORE US VALUE ETF (IUSV)	Johnson & Johnson	81,605	12/31/2016
SPDR S&P 500 ETF TRUST	Apple Inc.	461,896	12/31/2016
SPDR S&P 500 ETF TRUST	Microsoft Corp.	361,171	12/31/2016
SPDR S&P 500 ETF TRUST	Exxon Mobil Corp.	279,152	12/31/2016
SPDR S&P 500 ETF TRUST	Johnson & Johnson	234,546	12/31/2016
SPDR S&P 500 ETF TRUST	Berkshire Hathaway Inc. Class B	231,668	12/31/2016
VANGUARD DIVIDEND APPREC ETF (VIG)	Microsoft Corp.	116,186	12/31/2016
VANGUARD DIVIDEND APPREC ETF (VIG)	Johnson & Johnson	105,623	12/31/2016
VANGUARD DIVIDEND APPREC ETF (VIG)	PepsiCo Inc.	97,701	12/31/2016
VANGUARD DIVIDEND APPREC ETF (VIG)	Coca-Cola Co.	92,420	12/31/2016
VANGUARD DIVIDEND APPREC ETF (VIG)	McDonald's Corp	71,296	12/31/2016

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

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	214,809,537	216,359,734	1,550,197
30.2	Preferred Stocks	678,410	678,410	0
30.3	Totals	215,487,947	217,038,144	1,550,197

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

The market value of bonds and preferred stocks were obtained from third party valuation providers such as Merrill Lynch Indices, Interactive Data Corp, Reuter, S&P, Bloomberg, Factset, or, if not available from third party vendors, from independent security dealers. Short term and cash equivalents are valued at amortized cost.

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 [] No [X]

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 [] 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:
Not Applicable

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:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 444,119

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

1	2
Name	Amount Paid
	\$

34.1 Amount of payments for legal expenses, if any? \$ 685,591

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

1	2
Name	Amount Paid
SUTHERLAND ASBILL & BRENNAN LLP	\$ 416,542

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

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

1	2
Name	Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – PROPERTY & 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.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	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		0
	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		0
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		0
	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		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 307,481,403	\$ 316,296,338
2.3	Premium Ratio (2.1/2.2)		
2.4	Reserve Numerator	\$ 0	\$ 0
2.5	Reserve Denominator	\$ 204,483,749	\$ 206,187,223
2.6	Reserve Ratio (2.4/2.5)		
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	\$ 0	
3.22	Non-participating policies	\$ 0	
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?	Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?		
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0	
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes []	No []
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes []	No []
5.22	As a direct expense of the exchange	Yes []	N/A []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes []	No []
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:		
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? <u>Not Applicable</u>		
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:		
6.3	What provision has this reporting entity made (such as 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? <u>The company writes private passenger auto insurance in 18 states and protects itself through a catastrophe reinsurance program with the limit of 100% of \$1,250,000 in excess of \$1,500,000.</u>		
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	Yes [X] No []	
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:		
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [] No [X]	

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	0	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes []	No []
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes []	No [X]
8.2	If yes, give full information		
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:		
	(a) A contract term longer than two years and the contract is 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?		
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:	Yes []	No [X]
	(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 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , 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	Yes []	No [X]
	(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?		
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 reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X]	No [] N/A []
11.1	Has 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 assets schedule, Page 2, state the amount of corresponding liabilities recorded for:		
12.11	Unpaid losses	\$	0
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$	0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$	0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes []	No [] N/A [X]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:		
12.41	From	%	
12.42	To	%	
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?		
12.6	If yes, state the amount thereof at December 31 of current year:	Yes []	No [X]
12.61	Letters of Credit	\$	0
12.62	Collateral and other funds	\$	0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$	315,000
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	0	

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1 Is the reporting entity a cedant in a multiple cedant reinsurance contract? Yes [] No [X]
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [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 [] No [X]
 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	\$ 0 \$	0 \$	0 \$	0 \$	0
16.12 Products	\$ 0 \$	0 \$	0 \$	0 \$	0
16.13 Automobile	\$ 0 \$	0 \$	0 \$	0 \$	0
16.14 Other*	\$ 0 \$	0 \$	0 \$	0 \$	0

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5. Yes [] No [X]
 Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5	\$ 0
17.12 Unfunded portion of Interrogatory 17.11	\$ 0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ 0
17.14 Case reserves portion of Interrogatory 17.11	\$ 0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ 0
17.16 Unearned premium portion of Interrogatory 17.11	\$ 0
17.17 Contingent commission portion of Interrogatory 17.11	\$ 0

Provide the following information for all other amounts included in Schedule F-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	\$ 0
17.19 Unfunded portion of Interrogatory 17.18	\$ 0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ 0
17.21 Case reserves portion of Interrogatory 17.18	\$ 0
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ 0
17.23 Unearned premium portion of Interrogatory 17.18	\$ 0
17.24 Contingent commission portion of Interrogatory 17.18	\$ 0

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

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).....	221,687,463	222,817,235	218,533,603	204,719,531	204,847,377
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	90,508,694	93,099,400	90,242,227	81,761,654	79,117,060
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	312,196,157	315,916,635	308,775,830	286,481,185	283,964,437
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).....	221,687,463	222,817,235	218,533,603	204,719,531	204,847,377
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	90,454,069	93,020,442	90,152,280	81,685,807	78,939,545
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	312,141,532	315,837,677	308,685,883	286,405,338	283,786,922
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(17,819,347)	(22,989,292)	(16,920,939)	(27,100,467)	(74,686,946)
14. Net investment gain (loss) (Line 11).....	8,233,878	5,730,047	10,812,886	6,677,104	11,169,262
15. Total other income (Line 15).....	28,005,681	29,261,425	28,911,705	27,112,723	27,961,401
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	5,444,618	3,649,683	2,233,868	858,602	(9,478,265)
18. Net income (Line 20).....	12,975,593	8,352,497	20,569,784	5,830,758	(26,078,018)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	396,709,548	387,622,743	386,938,039	367,298,203	369,998,002
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	16,262,845	15,155,446	14,053,580	14,060,111	14,465,369
20.2 Deferred and not yet due (Line 15.2).....	46,280,493	43,070,712	46,033,458	42,562,851	41,965,011
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	231,971,020	230,737,458	235,173,780	237,901,221	250,560,148
22. Losses (Page 3, Line 1).....	102,275,408	106,252,479	102,120,944	113,277,992	106,756,999
23. Loss adjustment expenses (Page 3, Line 3).....	22,450,384	25,103,193	28,786,939	31,734,204	36,909,314
24. Unearned premiums (Page 3, Line 9).....	79,491,680	74,831,551	75,290,212	72,029,023	71,634,871
25. Capital paid up (Page 3, Lines 30 & 31).....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	164,738,529	156,885,285	151,764,259	129,396,983	119,437,854
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	8,952,742	10,631,765	14,250,279	13,987,054	(17,863,880)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	164,738,529	156,885,285	151,764,259	129,396,983	119,437,854
29. Authorized control level risk-based capital.....	25,217,706	25,899,126	30,162,290	27,162,757	35,744,924
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	66.2	68.4	67.6	72.7	71.1
31. Stocks (Lines 2.1 & 2.2).....	15.8	15.1	16.1	8.5	8.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					1.2
33. Real estate (Lines 4.1, 4.2 & 4.3).....	9.3	9.7	10.0	10.7	11.4
34. Cash, cash equivalents and short-term investments (Line 5).....	4.7	4.3	4.4	8.2	7.8
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	4.0	.24	.19		.05
38. Receivables for securities (Line 9).....	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 (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments					
(subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. 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).....	0.0				

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).....	4,214,337	.....(694,152)	.....1,408,372	.....1,837,391	.....574,454
52. Dividends to stockholders (Line 35).....	.....(10,900,000)	.....(10,250,000)	.....(2,000,000)	.....	.....
53. Change in surplus as regards policyholders for the year (Line 38).....	7,853,252	.....5,121,023	.....22,367,276	.....9,959,129	.....(20,131,468)
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).....	143,741,737	.....137,527,461	.....130,804,852	.....129,690,950	.....137,334,577
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	54,112,698	.....62,324,351	.....60,194,920	.....46,609,103	.....48,728,903
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....	.....	.....	.....	.....
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....	.....	.....	.....	.....
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
59. Total (Line 35).....	197,854,435	.....199,851,812	.....190,999,772	.....176,300,053	.....186,063,480
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).....	143,741,737	.....137,552,461	.....129,979,852	.....129,690,950	.....137,334,577
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	54,112,698	.....62,324,351	.....60,194,920	.....46,609,103	.....47,289,999
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....	.....	.....	.....	.....
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....	.....	.....	.....	.....
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
65. Total (Line 35).....	197,854,435	.....199,876,812	.....190,174,772	.....176,300,053	.....184,624,576
Operating Percentages (Page 4) (Item 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).....	63.1	.....64.5	.....58.6	.....63.9	.....68.2
68. Loss expenses incurred (Line 3).....	10.4	.....10.0	.....10.5	.....9.5	.....14.4
69. Other underwriting expenses incurred (Line 4).....	32.4	.....32.8	.....36.5	.....36.1	.....43.6
70. Net underwriting gain (loss) (Line 8).....	(5.8)	.....(7.3)	.....(5.5)	.....(9.5)	.....(26.3)
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).....	22.9	.....23.5	.....26.7	.....26.6	.....33.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	73.4	.....74.5	.....69.1	.....73.4	.....82.7
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).....	189.5	.....201.3	.....203.4	.....221.3	.....237.6
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).....	4,011	.....67	.....(11,597)	.....(10,772)	.....1,219
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).....	2.6	.....0.0	.....(9.0)	.....(9.0)	.....0.9
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(2,778)	.....(18,027)	.....(14,998)	.....(3,544)	.....(16,210)
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).....	(1.8)	.....(13.9)	.....(12.6)	.....(2.5)	.....(8.9)

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

Yes No

If no, please explain:

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....	.....17	.....8	.....12	.....8	.....37	.....XXX.....			
2. 2007.....	311,640	97	311,543	175,029	5,429	24,176	8,196	204,634	XXX.....				
3. 2008.....	321,239	109	321,130	180,052	5,979	25,726	8,490	211,757	XXX.....				
4. 2009.....	341,600	105	341,495	193,279	7,795	30,599	8,564	231,673	XXX.....				
5. 2010.....	336,385	110	336,275	182,315	7,026	31,273	8,424	220,614	XXX.....				
6. 2011.....	303,109	107	303,002	173,422	5,737	30,553	7,852	209,712	XXX.....				
7. 2012.....	283,965	178	283,787	183,027	1,439	5,344	29,579	8,695	216,511	XXX.....			
8. 2013.....	286,088	76	286,012	177,607	4,526	24,974	9,173	207,107	XXX.....				
9. 2014.....	305,514	90	305,424	187,578	800	2,906	27,971	9,758	217,655	XXX.....			
10. 2015.....	316,375	79	316,296	188,581	1,287	26,895	8,709	216,763	XXX.....				
11. 2016.....	307,537	55	307,482	117,140	262	23,134	4,182	140,536	XXX.....				
12. Totals.....	XXX.....	XXX.....	XXX.....	1,758,047	2,239	46,299	0	274,892	0	82,051	2,076,999	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.....	34	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	34	XXX.....	
2. 2007.....	54	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	54	XXX.....	
3. 2008.....	37	.....	.....	.....	.....	.....	.....	.....	11	.....	.....	48	XXX.....	
4. 2009.....	174	.....	1	.....	.....	.....	9	.....	16	.....	.....	(9)	200	XXX.....
5. 2010.....	339	.....	5	.....	.....	.....	26	.....	56	.....	.....	6	426	XXX.....
6. 2011.....	407	.....	10	.....	.....	22	.....	68	.....	.....	.....	17	507	XXX.....
7. 2012.....	972	.....	42	.....	.....	234	.....	200	.....	.....	.....	115	1,448	XXX.....
8. 2013.....	2,418	.....	147	.....	.....	728	.....	200	.....	.....	.....	279	3,493	XXX.....
9. 2014.....	6,375	.....	551	.....	.....	1,837	.....	496	.....	.....	.....	498	9,259	XXX.....
10. 2015.....	18,160	.....	2,418	.....	.....	3,765	.....	1,825	.....	.....	.....	1,492	26,168	XXX.....
11. 2016.....	53,573	.....	16,558	.....	.....	4,829	.....	8,128	.....	.....	.....	4,312	83,088	XXX.....
12. Totals.....	82,543	0	19,732	0	0	11,450	0	11,000	0	6,710	124,725	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.....	34	0
2. 2007.....	204,688	0	204,688	65.7	0.0	65.7	.....	.....	.....	54	0
3. 2008.....	211,805	0	211,805	65.9	0.0	66.0	.....	.....	.....	37	11
4. 2009.....	231,873	0	231,873	67.9	0.0	67.9	.....	.....	.....	175	25
5. 2010.....	221,040	0	221,040	65.7	0.0	65.7	.....	.....	.....	344	82
6. 2011.....	210,219	0	210,219	69.4	0.0	69.4	.....	.....	.....	417	90
7. 2012.....	219,398	1,439	217,959	77.3	808.4	76.8	.....	.....	.....	1,014	434
8. 2013.....	210,600	0	210,600	73.6	0.0	73.6	.....	.....	.....	2,565	928
9. 2014.....	227,714	800	226,914	74.5	888.9	74.3	.....	.....	.....	6,926	2,333
10. 2015.....	242,931	0	242,931	76.8	0.0	76.8	.....	.....	.....	20,578	5,590
11. 2016.....	223,624	0	223,624	72.7	0.0	72.7	.....	.....	.....	70,131	12,957
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	102,275	22,450

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

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 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....	.....51,935	.....46,932	.....45,581	.....42,917	.....41,948	.....41,344	.....41,147	.....40,910	.....40,850	.....40,822	.....(28)	.....(88)
2. 2007....	.....192,763	.....185,880	.....183,725	.....182,420	.....181,404	.....180,884	.....180,687	.....180,627	.....180,524	.....180,512	.....(12)	.....(115)
3. 2008....	.....XXX....	.....200,032	.....191,212	.....188,873	.....187,150	.....186,755	.....186,512	.....186,294	.....186,108	.....186,068	.....(40)	.....(226)
4. 2009....	.....XXX....	.....XXX....	.....211,250	.....205,584	.....203,172	.....202,388	.....201,887	.....201,623	.....201,433	.....201,258	.....(175)	.....(365)
5. 2010....	.....XXX....	.....XXX....	.....XXX....	.....200,411	.....193,311	.....192,624	.....191,191	.....190,691	.....190,065	.....189,711	.....(354)	.....(980)
6. 2011....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....180,230	.....184,439	.....182,247	.....182,000	.....180,518	.....179,598	.....(920)	.....(2,402)
7. 2012....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....199,689	.....193,680	.....190,980	.....189,353	.....188,180	.....(1,173)	.....(2,800)
8. 2013....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....195,230	.....187,859	.....185,703	.....185,426	.....(277)	.....(2,433)
9. 2014....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....191,816	.....198,313	.....198,447	.....134	.....6,631
10. 2015....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....207,355	.....214,211	.....6,856	.....XXX....	.....XXX....
11. 2016....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....
										12. Totals....	.....4,011	.....(2,778)

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....	.....26,477	.....35,749	.....38,606	.....39,890	.....40,462	.....40,608	.....40,747	.....40,763	.....40,788	.....XXX....	.....XXX....
2. 2007....	.....103,080	.....158,345	.....172,908	.....178,028	.....179,725	.....180,120	.....180,293	.....180,377	.....180,418	.....180,458	.....XXX....	.....XXX....
3. 2008....	.....XXX....	.....113,622	.....164,476	.....178,168	.....183,236	.....185,255	.....185,779	.....185,932	.....185,993	.....186,031	.....XXX....	.....XXX....
4. 2009....	.....XXX....	.....XXX....	.....119,095	.....174,426	.....191,267	.....198,029	.....200,132	.....200,750	.....200,984	.....201,074	.....XXX....	.....XXX....
5. 2010....	.....XXX....	.....XXX....	.....XXX....	.....111,856	.....164,224	.....182,000	.....187,063	.....188,526	.....189,075	.....189,341	.....XXX....	.....XXX....
6. 2011....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....106,911	.....157,100	.....171,843	.....177,529	.....178,798	.....179,159	.....XXX....	.....XXX....
7. 2012....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....114,895	.....165,078	.....179,746	.....185,204	.....186,932	.....XXX....	.....XXX....
8. 2013....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....109,773	.....162,054	.....176,706	.....182,133	.....XXX....	.....XXX....
9. 2014....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....119,693	.....175,478	.....189,684	.....XXX....	.....XXX....
10. 2015....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....126,872	.....189,868	.....XXX....	.....XXX....	.....XXX....
11. 2016....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....117,402	.....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)									
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016
1. Prior....	.....18,911	.....9,613	.....6,089	.....2,675	.....1,474	.....638	.....340	.....89	.....	.....
2. 2007....	.....27,767	.....7,496	.....3,516	.....1,795	.....836	.....338	.....201	.....73	.....1	.....
3. 2008....	.....XXX....	.....22,564	.....7,544	.....3,435	.....1,574	.....556	.....370	.....151	.....1	.....
4. 2009....	.....XXX....	.....XXX....	.....20,899	.....8,480	.....4,799	.....1,636	.....708	.....335	.....113	.....10
5. 2010....	.....XXX....	.....XXX....	.....XXX....	.....21,439	.....10,266	.....4,374	.....1,702	.....817	.....261	.....31
6. 2011....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....19,934	.....11,473	.....4,436	.....1,961	.....832	.....32
7. 2012....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....26,012	.....10,472	.....4,097	.....1,516	.....276
8. 2013....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....27,125	.....6,930	.....2,546	.....875
9. 2014....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....17,565	.....5,835	.....2,388
10. 2015....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....19,378	.....6,183
11. 2016....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....XXX....	.....21,387

Annual Statement for the year 2016 of the **Safe Auto Insurance Company**
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL N.....								
2. Alaska.....	AK N.....								
3. Arizona.....	AZ L.....	10,820,997	10,790,950		7,367,615	7,303,030	.3,181,309	1,067,978	
4. Arkansas.....	AR L.....								
5. California.....	CA L.....	14,923,150	15,919,650		13,587,073	11,276,741	.6,341,726	2,216,996	
6. Colorado.....	CO L.....								
7. Connecticut.....	CT N.....								
8. Delaware.....	DE N.....								
9. District of Columbia.....	DC N.....								
10. Florida.....	FL N.....								
11. Georgia.....	GA L.....	19,263,784	17,314,724		11,828,413	10,811,716	.5,209,109	1,012,037	
12. Hawaii.....	HI N.....								
13. Idaho.....	ID N.....								
14. Illinois.....	IL L.....	13,502,526	13,624,561		8,616,240	7,785,708	.3,599,024	1,161,171	
15. Indiana.....	IN L.....	28,279,029	27,908,641		17,098,110	16,622,478	.9,968,295	3,676,164	
16. Iowa.....	IA N.....								
17. Kansas.....	KS L.....	1,820,565	.1,631,216		.755,702	.863,709	.365,669	.104,430	
18. Kentucky.....	KY L.....	41,309,322	40,247,899		.23,321,961	.25,434,986	.13,646,415	.2,959,130	
19. Louisiana.....	LA L.....	5,721,264	.5,473,949		.4,262,642	.4,492,327	.1,864,782	.169,157	
20. Maine.....	ME N.....								
21. Maryland.....	MD N.....								
22. Massachusetts.....	MA N.....								
23. Michigan.....	MI N.....								
24. Minnesota.....	MN N.....								
25. Mississippi.....	MS L.....	2,872,845	.2,702,780		1,992,613	1,746,101	.578,551	.205,137	
26. Missouri.....	MO L.....	8,835,963	.8,822,264		7,085,790	6,941,262	.4,138,168	.734,721	
27. Montana.....	MT N.....								
28. Nebraska.....	NE N.....								
29. Nevada.....	NV L.....	6,133,144	.6,567,160		4,585,839	8,399,746	.4,057,467		
30. New Hampshire.....	NH N.....								
31. New Jersey.....	NJ N.....								
32. New Mexico.....	NM N.....								
33. New York.....	NY N.....								
34. North Carolina.....	NC N.....								
35. North Dakota.....	ND N.....								
36. Ohio.....	OH L.....	65,652,034	.65,739,319		39,026,442	37,845,124	.19,014,734	.5,736,494	
37. Oklahoma.....	OK L.....	5,644,677	.5,778,560		3,109,329	2,856,807	.1,485,832	.485,255	
38. Oregon.....	OR N.....								
39. Pennsylvania.....	PA L.....	43,704,518	.43,594,033		25,326,416	.22,055,572	.14,761,664	.3,824,584	
40. Rhode Island.....	RI N.....								
41. South Carolina.....	SC L.....	10,937,213	.9,024,235		.7,332,620	.6,662,061	.3,420,870	.574,327	
42. South Dakota.....	SD N.....								
43. Tennessee.....	TN L.....	10,982,258	.10,391,128		.5,567,031	.6,072,940	.3,076,917	.890,965	
44. Texas.....	TX L.....	16,330,228	.15,206,292		.9,803,765	.9,634,193	.4,211,683	.686,589	
45. Utah.....	UT N.....								
46. Vermont.....	VT N.....								
47. Virginia.....	VA L.....	3,379,606	.3,348,180		2,424,773	2,166,587	.989,396	.256,336	
48. Washington.....	WA N.....								
49. West Virginia.....	WV N.....								
50. Wisconsin.....	WI N.....								
51. Wyoming.....	WY N.....								
52. American Samoa.....	AS N.....								
53. Guam.....	GU N.....								
54. Puerto Rico.....	PR N.....								
55. US Virgin Islands.....	VI N.....								
56. Northern Mariana Islands.....	MP N.....								
57. Canada.....	CAN N.....								
58. Aggregate Other Alien.....	OT XXX	.0	.0	.0	.0	.0	.0	.0	0
59. Totals.....	(a) 20	310,113,123	304,085,541	0	.193,092,374	.188,971,088	.99,911,611	.25,761,471	0

DETAILS OF WRITE-INS

58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	.0	.0	.0	.0	.0	.0	.0	0

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

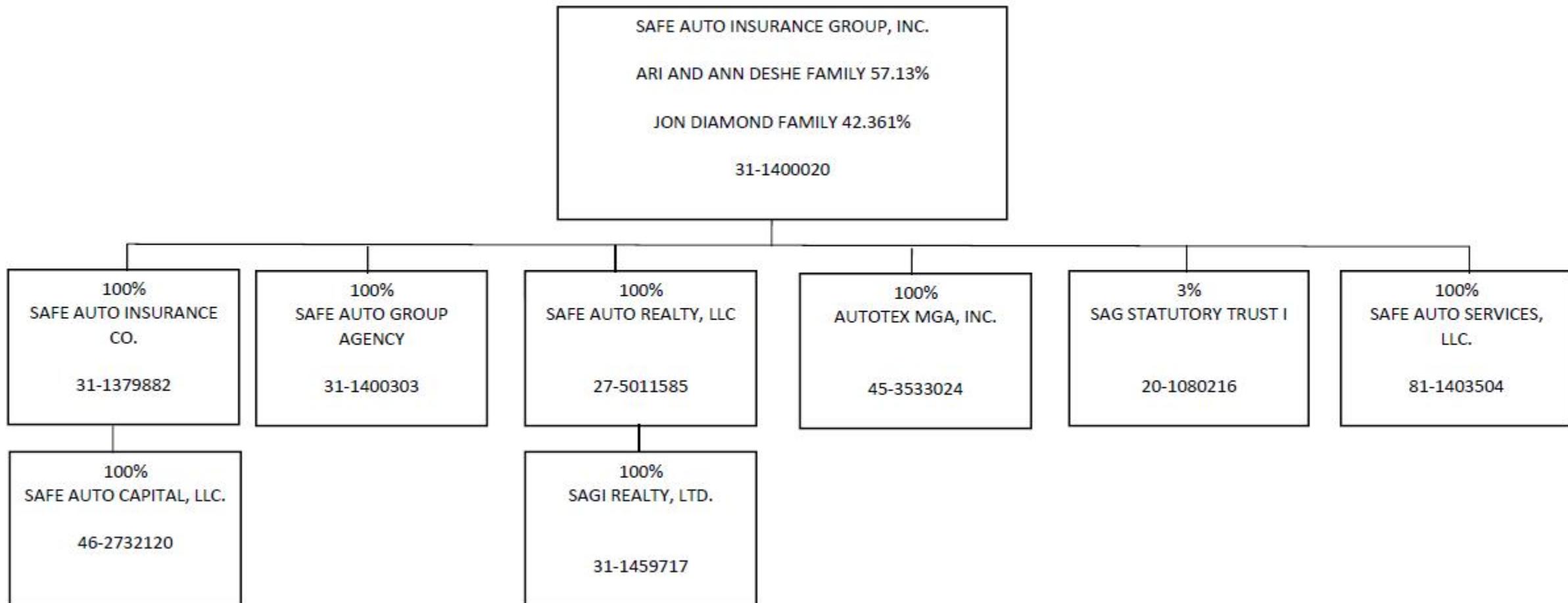
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

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

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

The Basis of Allocation of Premiums by States was determined by the principal garaging location as of the effective date of the policy coverage.

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



2016 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	58
Cash Flow	5	Schedule P-Part 2H-Section 1-Other Liability-Occurrence	58
Exhibit of Capital Gains (Losses)	12	Schedule P-Part 2H-Section 2-Other Liability-Claims-Made	58
Exhibit of Net Investment Income	12	Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	59
Exhibit of Nonadmitted Assets	13	Schedule P-Part 2J-Auto Physical Damage	59
Exhibit of Premiums and Losses (State Page)	19	Schedule P-Part 2K-Fidelity, Surety	59
Five-Year Historical Data	17	Schedule P-Part 2L-Other (Including Credit, Accident and Health)	59
General Interrogatories	15	Schedule P-Part 2M-International	59
Jurat Page	1	Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property	60
Liabilities, Surplus and Other Funds	3	Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability	60
Notes To Financial Statements	14	Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines	60
Overflow Page For Write-ins	100	Schedule P-Part 2R-Section 1-Products Liability-Occurrence	61
Schedule A-Part 1	E01	Schedule P-Part 2R-Section 2-Products Liability-Claims-Made	61
Schedule A-Part 2	E02	Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty	61
Schedule A-Part 3	E03	Schedule P-Part 2T-Warranty	61
Schedule A-Verification Between Years	SI02	Schedule P-Part 3A-Homeowners/Farmowners	62
Schedule B-Part 1	E04	Schedule P-Part 3B-Private Passenger Auto Liability/Medical	62
Schedule B-Part 2	E05	Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical	62
Schedule B-Part 3	E06	Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)	62
Schedule B-Verification Between Years	SI02	Schedule P-Part 3E-Commercial Multiple Peril	62
Schedule BA-Part 1	E07	Schedule P-Part 3F-Section 1-Medical Professional Liability-Occurrence	63
Schedule BA-Part 2	E08	Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made	63
Schedule BA-Part 3	E09	Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	63
Schedule BA-Verification Between Years	SI03	Schedule P-Part 3H-Section 1-Other Liability-Occurrence	63
Schedule D-Part 1	E10	Schedule P-Part 3H-Section 2-Other Liability-Claims-Made	63
Schedule D-Part 1A-Section 1	SI05	Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	64
Schedule D-Part 1A-Section 2	SI08	Schedule P-Part 3J-Auto Physical Damage	64
Schedule D-Part 2-Section 1	E11	Schedule P-Part 3K-Fidelity/Surety	64
Schedule D-Part 2-Section 2	E12	Schedule P-Part 3L-Other (Including Credit, Accident and Health)	64
Schedule D-Part 3	E13	Schedule P-Part 3M-International	64
Schedule D-Part 4	E14	Schedule P-Part 3N-Reinsurance - Nonproportional Assumed Property	65
Schedule D-Part 5	E15	Schedule P-Part 3O-Reinsurance - Nonproportional Assumed Liability	65
Schedule D-Part 6-Section 1	E16	Schedule P-Part 3P-Reinsurance - Nonproportional Assumed Financial Lines	65
Schedule D-Part 6-Section 2	E16	Schedule P-Part 3R-Section 1-Products Liability-Occurrence	66
Schedule D-Summary By Country	SI04	Schedule P-Part 3R-Section 2-Products Liability-Claims-Made	66
Schedule D-Verification Between Years	SI03	Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty	66
Schedule DA-Part 1	E17	Schedule P-Part 3T-Warranty	66
Schedule DA-Verification Between Years	SI10	Schedule P-Part 4A-Homeowners/Farmowners	67
Schedule DB-Part A-Section 1	E18	Schedule P-Part 4B-Private Passenger Auto Liability/Medical	67
Schedule DB-Part A-Section 2	E19	Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical	67
Schedule DB-Part A-Verification Between Years	SI11	Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)	67
Schedule DB-Part B-Section 1	E20	Schedule P-Part 4E-Commercial Multiple Peril	67
Schedule DB-Part B-Section 2	E21	Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence	68
Schedule DB-Part B-Verification Between Years	SI11	Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made	68
Schedule DB-Part C-Section 1	SI12	Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	68
Schedule DB-Part C-Section 2	SI13	Schedule P-Part 4H-Section 1-Other Liability-Occurrence	68
Schedule DB-Part D-Section 1	E22	Schedule P-Part 4H-Section 2-Other Liability-Claims-Made	68
Schedule DB-Part D-Section 2	E23	Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	69
Schedule DB-Verification	SI14	Schedule P-Part 4J-Auto Physical Damage	69
Schedule DL-Part 1	E24	Schedule P-Part 4K-Fidelity/Surety	69
Schedule DL-Part 2	E25	Schedule P-Part 4L-Other (Including Credit, Accident and Health)	69
Schedule E-Part 1-Cash	E26	Schedule P-Part 4M-International	69
Schedule E-Part 2-Cash Equivalents	E27	Schedule P-Part 4N-Reinsurance - Nonproportional Assumed Property	70
Schedule E-Part 3-Special Deposits	E28	Schedule P-Part 4O-Reinsurance - Nonproportional Assumed Liability	70
Schedule E-Verification Between Years	SI15	Schedule P-Part 4P-Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule F-Part 1	20	Schedule P-Part 4R-Section 1-Products Liability-Occurrence	71
Schedule F-Part 2	21	Schedule P-Part 4R-Section 2-Products Liability-Claims-Made	71
Schedule F-Part 3	22	Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty	71
Schedule F-Part 4	23	Schedule P-Part 4T-Warranty	71
Schedule F-Part 5	24	Schedule P-Part 5A-Homeowners/Farmowners	72
Schedule F-Part 6-Section 1	25	Schedule P-Part 5B-Private Passenger Auto Liability/Medical	73
Schedule F-Part 6-Section 2	26	Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical	74
Schedule F-Part 7	27	Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)	75
Schedule F-Part 8	28	Schedule P-Part 5E-Commercial Multiple Peril	76
Schedule F-Part 9	29	Schedule P-Part 5F-Medical Professional Liability-Claims-Made	78
Schedule H-Accident and Health Exhibit-Part 1	30	Schedule P-Part 5F-Medical Professional Liability-Occurrence	77
Schedule H-Part 2, Part 3 and Part 4	31	Schedule P-Part 5H-Other Liability-Claims-Made	80
Schedule H-Part 5-Health Claims	32	Schedule P-Part 5H-Other Liability-Occurrence	79
Schedule P-Part 1-Summary	33	Schedule P-Part 5R-Products Liability-Claims-Made	82
Schedule P-Part 1A-Homeowners/Farmowners	35	Schedule P-Part 5R-Products Liability-Occurrence	81
Schedule P-Part 1B-Private Passenger Auto Liability/Medical	36	Schedule P-Part 5T-Warranty	83
Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical	37	Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical	84
Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)	38	Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)	84
Schedule P-Part 1E-Commercial Multiple Peril	39	Schedule P-Part 6E-Commercial Multiple Peril	85
Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence	40	Schedule P-Part 6H-Other Liability-Claims-Made	86
Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made	41	Schedule P-Part 6H-Other Liability-Occurrence	85
Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	42	Schedule P-Part 6M-International	86
Schedule P-Part 1H-Section 1-Other Liability-Occurrence	43	Schedule P-Part 6N-Reinsurance - Nonproportional Assumed Property	87
Schedule P-Part 1H-Section 2-Other Liability-Claims-Made	44	Schedule P-Part 6O-Reinsurance - Nonproportional Assumed Liability	87
Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45	Schedule P-Part 6R-Products Liability-Claims-Made	88
Schedule P-Part 1J-Auto Physical Damage	46	Schedule P-Part 6R-Products Liability-Occurrence	88
Schedule P-Part 1K-Fidelity/Surety	47	Schedule P-Part 7A-Primary Loss Sensitive Contracts	89
Schedule P-Part 1L-Other (Including Credit, Accident and Health)	48	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	91
Schedule P-Part 1M-International	49	Schedule P-Interrogatories	93
Schedule P-Part 1N-Reinsurance - Nonproportional Assumed Property	50	Schedule T-Exhibit of Premiums Written	94
Schedule P-Part 1O-Reinsurance - Nonproportional Assumed Liability	51	Schedule T-Part 2-Interstate Compact	95
Schedule P-Part 1P-Reinsurance - Nonproportional Assumed Financial Lines	52	Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P-Part 1R-Section 1-Products Liability-Occurrence	53	Schedule Y-Detail of Insurance Holding Company System	97
Schedule P-Part 1R-Section 2-Products Liability-Claims-Made	54	Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates	98
Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty	55	Statement of Income	4
Schedule P-Part 1T-Warranty	56	Summary Investment Schedule	SI01
Schedule P-Part 2, Part 3 and Part 4 - Summary	34	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P-Part 2A-Homeowners/Farmowners	57	Underwriting and Investment Exhibit Part 1	6
Schedule P-Part 2B-Private Passenger Auto Liability/Medical	57	Underwriting and Investment Exhibit Part 1A	7
Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical	57	Underwriting and Investment Exhibit Part 1B	8
Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)	57	Underwriting and Investment Exhibit Part 2	9
Schedule P-Part 2E-Commercial Multiple Peril	57	Underwriting and Investment Exhibit Part 2A	10
Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence	58	Underwriting and Investment Exhibit Part 3	11
Schedule P-Part 2F-Section 2-Medical Professional Liability-Claims-Made	58		