

## AMENDED FILING EXPLANATION

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Notes to the Financial Statements have been amended and expanded to include references to specific note provisions per NAIC instructions. The notes impacted are 1, 5, 11, 12, 14, 17, 24 and 36.



# QUARTERLY STATEMENT

As of March 31, 2017  
of the Condition and Affairs of the

## American Commerce Insurance Company

NAIC Group Code.....0411, 0411 (Current Period) (Prior Period)	NAIC Company Code..... 19941	Employer's ID Number..... 31-4361173
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... September 18, 1946	Commenced Business..... March 19, 1947	
Statutory Home Office	3590 TWIN CREEKS DRIVE..... COLUMBUS ..... OH ..... US ..... 43218-2579 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	211 MAIN STREET..... WEBSTER ..... MA ..... US ..... 01570-0758 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	508-943-9000 <i>(Area Code) (Telephone Number)</i>
Mail Address	211 MAIN STREET..... WEBSTER ..... MA ..... US ..... 01570-0758 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	211 MAIN STREET..... WEBSTER ..... MA ..... US ..... 01570-0758 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	508-943-9000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.mapfreinsurance.com	
Statutory Statement Contact	CHRISTINE A CONRAD <i>(Name)</i> cconrad@mapfreusa.com <i>(E-Mail Address)</i>	508-943-9000-14376 <i>(Area Code) (Telephone Number) (Extension)</i> 508-949-4246 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. ALFREDO CASTELO	PRESIDENT & CEO	2. DANIEL PATRICK OLOHAN	SECRETARY, GENERAL COUNSEL, & EVP
3. ROBERT EDWARD MCKENNA	TREASURER, CAO, & SVP	4. FRANCOIS JEAN FACON	EXECUTIVE VICE PRESIDENT & CFO

### DIRECTORS OR TRUSTEES

RANDALL VAUGHN BECKER	ALFREDO CASTELO #	DAVID HILL COCHRANE	DENNIS JOHN CROSSLEY
FREDERICK LAWRENCE GRUEL	TIMOTHY JOHN MORGAN	KIRK RICHARD NELSON	DANIEL PATRICK OLOHAN
MARK ALLEN SHAW	MARK HARRY SHAW		

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

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

(Signature) _____ ALFREDO CASTELO 1. (Printed Name) _____ PRESIDENT & CEO (Title)	(Signature) _____ DANIEL PATRICK OLOHAN 2. (Printed Name) _____ SECRETARY, GENERAL COUNSEL, & EVP (Title)	(Signature) _____ ROBERT EDWARD MCKENNA 3. (Printed Name) _____ TREASURER, CAO, & SVP (Title)
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Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

a. Is this an original filing?  
b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

Yes [ ] No [ X ]  
1  
08/15/2017  
4

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern**

## A. Accounting Practices

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

There are no differences between Ohio prescribed practices and NAIC statutory accounting practices (NAIC SAP) as noted below:

	SSAP #	F/S Page	F/S Line #	Current Period	2016
<b>NET INCOME</b>					
(1) American Commerce Insurance Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (209,332)	\$ 1,822,659
(2) State Prescribed Practice that is an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practice that is an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (209,332)	\$ 1,822,659
<b>SURPLUS</b>					
(5) American Commerce Insurance Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 108,423,744	\$ 108,261,319
(6) State Prescribed Practice that is an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practice that is an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 108,423,744	\$ 108,261,319

## C. Accounting Policy

(6) No significant changes

## D. Going Concern

Based on its evaluation of relevant conditions and events, management does not have substantial doubt about the Company's ability to continue as a going concern.

**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

**Note 3 – Business Combinations and Goodwill**

No significant changes

**Note 4 – Discontinued Operations**

No significant changes

**Note 5 – Investments**

## D. Loan-Backed Securities

- (1) Prepayment assumptions are obtained from broker-dealer surveys, internal estimates or Bloomberg.
- (2) This note is used to disclose any loan-backed security that has recognized an other-than-temporary impairment during the quarter and is classified with an intent to sell or inability or lack of intent to hold. During the current quarter, no securities that have recognized an other-than-temporary impairment fit this criteria.
- (3) There are no structured securities with recognized OTTI as of the reporting date.
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ 246,959
	2. 12 Months or Longer	\$ 7,641
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 22,499,361
	2. 12 Months or Longer	\$ 40,024

- (5) The general categories of information considered in reaching the conclusion that the impairments are not other-than temporary include:
  - Probability of collecting all amounts due according to the contractual terms in effect at the time of acquisition.
  - Intent to sell: Is there intent to sell the security before recovery.
  - The length of time and the extent to which fair value has been less than amortized cost.
  - The financial conditions and short term prospects of the issuer.
  - Intent and Ability to hold: Is there a lack of ability to hold, where cash and working capital requirements and contractual or regulatory obligations indicate that the investment may need to be sold before the forecasted recovery occurs.

## E. Repurchase Agreements and/or Securities Lending Transactions

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## NOTES TO FINANCIAL STATEMENTS

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(3) Not applicable

I. Working Capital Finance Investments

(2) Not applicable

(3) Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

### **Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

### **Note 7 – Investment Income**

No significant changes

### **Note 8 – Derivative Instruments**

No significant changes

### **Note 9 – Income Taxes**

No significant changes

### **Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No significant changes

### **Note 11 – Debt**

B. FHLB (Federal Home Loan Bank) Agreements

Not applicable.

### **Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

A.(4) Defined Benefit Plan

Not applicable.

### **Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant changes

### **Note 14 – Liabilities, Contingencies and Assessments**

G. Other contingencies

No significant changes

### **Note 15 – Leases**

No significant changes

### **Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

No significant changes

### **Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

B. Transfer and Servicing of Financial Assets

(2) Not applicable

(4) (a) and (b) Not applicable

C. Wash Sales

No wash sales to report this quarter.

### **Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans**

No significant changes

### **Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No significant changes

### **Note 20 – Fair Value Measurements**

**NOTES TO FINANCIAL STATEMENTS**

A.

## (1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Bonds	\$ -	\$ 2,497,454	\$ -	\$ 2,497,454
Total	\$ -	\$ 2,497,454	\$ -	\$ 2,497,454
Liabilities at Fair Value				
	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

## (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

	Ending Balance as of Prior Quarter End	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance for Current Quarter End
a. Assets										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Liabilities										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

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

Financial Assets included in Level 3 of the Fair Value Hierarchy are securities priced utilizing broker quotes or internal pricing determined by insurer.

(5) The company does not hold derivative assets or liabilities.

B. Not applicable

## C. Aggregate Fair Value of all Financial Instruments by Hierarchical Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 149,213,257	\$ 149,794,944	\$ 5,762,458	\$ 143,450,799	\$ -	\$ -
Preferred Stock	\$ 836,550	\$ 789,966	\$ -	\$ 836,550	\$ -	\$ -

D. Not Practicable to Estimate Fair Value

None

**Note 21 – Other Items**

No significant changes

**Note 22 – Events Subsequent**

No significant changes

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

F. Risk Sharing Provisions of the Affordable Care Act

Not applicable.

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

Current year losses and LAE reflected on the Statement of Income of \$37,606,000 were higher by \$1,109,000 due to unfavorable development of prior year estimates. This deficiency was 1.2% of the unpaid losses and LAE of \$91,588,000 as of prior year-end.

**Note 26 – Intercompany Pooling Arrangements**

No significant changes

**Note 27 – Structured Settlements**

No significant changes

**Note 28 – Health Care Receivables**

No significant changes

**Note 29 – Participating policies**

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## NOTES TO FINANCIAL STATEMENTS

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No significant changes

**Note 30 – Premium Deficiency Reserves**

No significant changes

**Note 31 – High Deductibles**

No significant changes

**Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No significant changes

**Note 33 – Asbestos/Environmental Reserves**

No significant changes

**Note 34 – Subscriber Savings Accounts**

No significant changes

**Note 35 – Multiple Peril Crop Insurance**

No significant changes

**Note 36 – Financial Guaranty Insurance**

B. Not applicable.