



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

Motorists Commercial Mutual Insurance Company

NAIC Group Code	0291 (Current)	0291 (Prior)	NAIC Company Code	13331	Employer's ID Number	41-0299900
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	OH	
Country of Domicile	United States of America					
Incorporated/Organized	05/25/1899			Commenced Business	01/04/1900	
Statutory Home Office	471 East Broad Street (Street and Number)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
Main Administrative Office	471 East Broad Street (Street and Number)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
	Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)			614-225-8211 (Area Code) (Telephone Number)		
Mail Address	471 East Broad Street (Street and Number or P.O. Box)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	471 East Broad Street (Street and Number)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
	Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)			614-225-8211 (Area Code) (Telephone Number)		
Internet Website Address	MotoristsGroup.com					
Statutory Statement Contact	Melissa A. Wood (Name)			614-225-8285 (Area Code) (Telephone Number)		
	Accounting@MotoristsGroup.com (E-mail Address)			614-225-8330 (FAX Number)		

OFFICERS

Chief Executive Officer	David Lynn Kaufman	Secretary	Marchelle Elaine Moore #
President	Thomas Joseph Obrokta, Jr. #	Treasurer & CFO	James Christopher Howat #

OTHER

DIRECTORS OR TRUSTEES

Gregory Arthur Burton #	Sandra Werth Harbrecht	David Lynn Kaufman
Robert Lee McCracken	Thomas Joseph Obrokta, Jr. #	Thomas Charles Ogg
Charles Donovan Stapleton	Robert Lynn Western	Michael Lee Wiseman

State of	Ohio	SS:
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.

David L. Kaufman Chief Executive Officer	Marchelle E. Moore Secretary	J. Christopher Howat Treasurer
Subscribed and sworn to before me this		a. Is this an original filing?
14th day of February, 2018		b. If no,
		1. State the amendment number.....
		2. Date filed
		3. Number of pages attached.....

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)	168,081,423		168,081,423	185,677,740
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	79,411,847	87,573	79,324,274	60,169,692
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	7,833,393	1,607,979	6,225,414	
4.2 Properties held for the production of income (less \$0 encumbrances)				
4.3 Properties held for sale (less \$0 encumbrances)				
5. Cash (\$(40,570) , Schedule E - Part 1), cash equivalents (\$3,776,168 , Schedule E - Part 2) and short-term investments (\$0 , Schedule DA)	3,735,597		3,735,597	8,969,893
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	26,048,744		26,048,744	27,353,329
9. Receivable for securities	113,994		113,994	602,514
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	285,224,999	1,695,552	283,529,447	282,773,167
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	1,887,494		1,887,494	1,729,590
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,370,455		9,370,455	11,117,502
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$101,700 earned but unbilled premiums)	19,347,310	11,300	19,336,010	14,097,439
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	4,192,426		4,192,426	3,290,276
16.2 Funds held by or deposited with reinsured companies	39,237,963		39,237,963	37,741,132
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	2,447,634		2,447,634	179,373
18.2 Net deferred tax asset	5,699,919		5,699,919	2,182,348
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				4,009
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,573,156		1,573,156	390,308
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	1,671,150	132,475	1,538,676	1,148,502
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	370,652,506	1,839,327	368,813,179	354,653,646
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	370,652,506	1,839,327	368,813,179	354,653,646
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Pooled general expenses receivable	1,366,699		1,366,699	1,004,222
2502. Equities and deposits in pools and associations	171,977		171,977	144,280
2503. Prepaid expenses	91,482	91,482		
2598. Summary of remaining write-ins for Line 25 from overflow page	40,992	40,992		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,671,150	132,475	1,538,676	1,148,502

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	91,369,559	78,060,801
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	6,918,535	8,912,283
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	22,898,014	19,522,938
4. Commissions payable, contingent commissions and other similar charges	4,185,665	5,146,469
5. Other expenses (excluding taxes, licenses and fees)	2,537,391	1,250,846
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,340,489	1,290,184
7.1 Current federal and foreign income taxes (including \$967,104 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$21,743,943 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)	60,322,981	60,328,252
10. Advance premium	6,581	
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	924,541	884,340
12. Ceded reinsurance premiums payable (net of ceding commissions)	3,923,815	3,105,986
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	21,248,429	15,449,021
14. Amounts withheld or retained by company for account of others	123,329	170,238
15. Remittances and items not allocated	(84,482)	14,709
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 8)	350,917	347,124
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,919,357	735,436
20. Derivatives		
21. Payable for securities	21,888	86,110
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	3,331,937	2,661,054
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	221,338,947	197,965,789
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	221,338,947	197,965,789
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	147,474,232	156,687,857
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	147,474,232	156,687,857
38. TOTALS (Page 2, Line 28, Col. 3)	368,813,179	354,653,646
DETAILS OF WRITE-INS		
2501. Pooled general expenses payable	3,002,054	2,435,184
2502. Reinsurance assumed overhead payable	159,957	72,358
2503. Escheatable funds	81,154	41,486
2598. Summary of remaining write-ins for Line 25 from overflow page	88,772	112,026
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,331,937	2,661,054
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	133,618,711	132,582,843
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	88,584,677	69,562,199
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	22,954,310	15,442,187
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	56,627,260	50,700,589
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	168,166,248	135,704,976
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(34,547,537)	(3,122,132)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	6,782,953	6,866,413
10. Net realized capital gains or (losses) less capital gains tax of \$ 1,212,057 (Exhibit of Capital Gains (Losses))	2,249,808	994,557
11. Net investment gain (loss) (Lines 9 + 10)	9,032,761	7,860,970
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 67,787)	(67,787)	(184,040)
13. Finance and service charges not included in premiums	652,469	777,821
14. Aggregate write-ins for miscellaneous income	(14,392)	(22,527)
15. Total other income (Lines 12 through 14)	570,290	571,255
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(24,944,486)	5,310,092
17. Dividends to policyholders	745,616	622,789
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(25,690,102)	4,687,303
19. Federal and foreign income taxes incurred	(3,264,964)	128,269
20. Net income (Line 18 minus Line 19)(to Line 22)	(22,425,138)	4,559,034
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	156,687,857	150,094,619
22. Net income (from Line 20)	(22,425,138)	4,559,034
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (1,846,173)	7,777,041	2,453,136
25. Change in net unrealized foreign exchange capital gain (loss)	114,946	15,659
26. Change in net deferred income tax	1,671,398	(686,269)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	26,079,601	206,028
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(3,793)	45,650
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles	(22,427,680)	
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(9,213,625)	6,593,238
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	147,474,232	156,687,857
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)		
1401. Penalties and assessments	(200)	(904)
1402. Miscellaneous income or expense	(14,192)	(21,623)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(14,392)	(22,527)
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)		

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	134,529,590	131,906,724
2. Net investment income	7,892,927	8,027,907
3. Miscellaneous income	570,290	571,255
4. Total (Lines 1 through 3)	142,992,806	140,505,886
5. Benefit and loss related payments	77,502,180	67,491,241
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	75,574,052	65,777,720
8. Dividends paid to policyholders	705,415	732,275
9. Federal and foreign income taxes paid (recovered) net of \$346,018 tax on capital gains (losses)	215,354	1,527,433
10. Total (Lines 5 through 9)	153,997,001	135,528,669
11. Net cash from operations (Line 4 minus Line 10)	(11,004,195)	4,977,216
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	42,115,623	31,758,474
12.2 Stocks	7,665,813	7,968,215
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	10,266,543	1,454,429
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	847	684
12.7 Miscellaneous proceeds	488,520	(536,045)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	60,537,345	40,645,757
13. Cost of investments acquired (long-term only):		
13.1 Bonds	25,283,771	35,779,259
13.2 Stocks	17,816,238	5,940,587
13.3 Mortgage loans		
13.4 Real estate	7,945,428	
13.5 Other invested assets	8,776,195	2,310,964
13.6 Miscellaneous applications	64,221	13,582
13.7 Total investments acquired (Lines 13.1 to 13.6)	59,885,853	44,044,392
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	651,492	(3,398,636)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	5,118,408	712,158
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	5,118,408	712,158
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)	(5,234,295)	2,290,739
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,969,893	6,679,154
19.2 End of period (Line 18 plus Line 19.1)	3,735,597	8,969,893

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

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ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	1,550,703	797,101	760,677	1,587,127
2.	Allied lines	1,626,044	823,417	810,282	1,639,180
3.	Farmowners multiple peril	1,124,030	540,540	510,623	1,153,948
4.	Homeowners multiple peril	18,893,939	10,919,946	10,012,766	19,801,118
5.	Commercial multiple peril	16,267,714	7,685,264	8,080,489	15,872,489
6.	Mortgage guaranty				
8.	Ocean marine	47,071	25,603	23,518	49,156
9.	Inland marine	4,234,556	1,950,114	2,015,924	4,168,746
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake	317,511	176,544	172,891	321,165
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health	102	42	31	113
16.	Workers' compensation	11,253,703	4,617,450	4,547,361	11,323,792
17.1	Other liability - occurrence	17,608,798	8,134,234	8,393,005	17,350,028
17.2	Other liability - claims-made	17,869		14,296	3,573
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	1,387,055	587,085	611,959	1,362,181
18.2	Products liability - claims-made				
19.1, 19.2	Private passenger auto liability	15,963,669	6,510,132	5,729,985	16,743,817
19.3, 19.4	Commercial auto liability	19,606,136	8,372,464	9,110,352	18,868,248
21.	Auto physical damage	21,737,354	8,786,064	9,122,133	21,401,285
22.	Aircraft (all perils)				
23.	Fidelity	214,421	94,762	94,864	214,318
24.	Surety		5		5
26.	Burglary and theft	203,405	84,130	96,318	191,216
27.	Boiler and machinery	213,925	123,367	130,724	206,568
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - nonproportional assumed property	859,032	72,097	59,454	871,675
32.	Reinsurance - nonproportional assumed liability	486,403	27,890	25,331	488,962
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	133,613,440	60,328,252	60,322,981	133,618,711
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

		1	2	3	4	5
Line of Business		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	760,677				760,677
2.	Allied lines	810,282				810,282
3.	Farmowners multiple peril	510,623				510,623
4.	Homeowners multiple peril	10,012,766				10,012,766
5.	Commercial multiple peril	8,080,489				8,080,489
6.	Mortgage guaranty					
8.	Ocean marine	23,518				23,518
9.	Inland marine	2,015,924				2,015,924
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake	172,891				172,891
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health	31				31
16.	Workers' compensation	4,547,361				4,547,361
17.1	Other liability - occurrence	8,393,005				8,393,005
17.2	Other liability - claims-made	14,296				14,296
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	611,959				611,959
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability	5,729,985				5,729,985
19.3, 19.4	Commercial auto liability	9,110,352				9,110,352
21.	Auto physical damage	9,122,133				9,122,133
22.	Aircraft (all perils)					
23.	Fidelity	94,864				94,864
24.	Surety					
26.	Burglary and theft	96,318				96,318
27.	Boiler and machinery	130,724				130,724
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - nonproportional assumed property	59,454				59,454
32.	Reinsurance - nonproportional assumed liability	25,331				25,331
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	60,322,981				60,322,981
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					60,322,981
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN						
Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
1. Fire	9,790	1,550,703	4,699	14,489		1,550,703
2. Allied lines	5,987	1,626,044	2,558	8,545		1,626,044
3. Farmowners multiple peril		1,124,030				1,124,030
4. Homeowners multiple peril	59,737	18,893,939	4,274	64,012		18,893,939
5. Commercial multiple peril	9,214,703	16,267,714		8,677,657	537,046	16,267,714
6. Mortgage guaranty						
8. Ocean marine		47,071				47,071
9. Inland marine	2,663,554	4,234,556		2,610,679	52,874	4,234,556
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	23,114	317,511	13	16,510	6,616	317,511
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health	550	102		550		102
16. Workers' compensation	3,011,300	11,253,703	42,212	3,027,921	25,592	11,253,703
17.1 Other liability - occurrence	5,316,384	17,608,798	243	4,332,830	983,797	17,608,798
17.2 Other liability - claims-made	96,590	17,869		96,590		17,869
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	587,702	1,387,055		587,702		1,387,055
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability		15,963,669				15,963,669
19.3, 19.4 Commercial auto liability	11,952,324	19,606,136	542,027	12,494,342	9	19,606,136
21. Auto physical damage	5,718,558	21,737,354	234,533	5,550,074	403,017	21,737,354
22. Aircraft (all perils)						
23. Fidelity		214,421				214,421
24. Surety						
26. Burglary and theft	467,322	203,405	2	467,324		203,405
27. Boiler and machinery	790,138	213,925		(61,978)	852,116	213,925
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX	859,032				859,032
32. Reinsurance - nonproportional assumed liability	XXX	486,403				486,403
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	39,917,755	133,613,440	830,561	37,887,247	2,861,068	133,613,440
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	5,125	1,441,497	6,141	1,440,481	310,469	227,398	1,523,551	96.0
2.	Allied lines	2,213	1,514,666	3,034	1,513,845	330,267	117,278	1,726,834	105.3
3.	Farmowners multiple peril		888,059		888,059	175,920	50,298	1,013,681	87.8
4.	Homeowners multiple peril	31,801	14,296,902	33,552	14,295,151	3,714,794	3,133,689	14,876,255	75.1
5.	Commercial multiple peril	2,156,474	8,122,831	2,156,474	8,122,831	4,753,496	4,279,082	8,597,245	54.2
6.	Mortgage guaranty								
8.	Ocean marine		5,676		5,676	2,751	276	8,150	16.6
9.	Inland marine	931,982	1,168,778	931,982	1,168,778	261,423	157,179	1,273,022	30.5
10.	Financial guaranty								
11.1	Medical professional liability - occurrence								
11.2	Medical professional liability - claims-made								
12.	Earthquake								
13.	Group accident and health								
14.	Credit accident and health (group and individual)								
15.	Other accident and health	250	46	250	46	(427)	128	(509)	(449.8)
16.	Workers' compensation	2,481,594	5,851,208	2,746,114	5,586,688	17,480,553	17,445,297	5,621,943	49.6
17.1	Other liability - occurrence	1,540,318	5,823,624	1,540,395	5,823,547	18,333,133	14,291,706	9,864,974	56.9
17.2	Other liability - claims-made					341		341	9.5
17.3	Excess workers' compensation								
18.1	Products liability - occurrence	493,938	497,707	493,938	497,707	3,140,303	1,560,686	2,077,324	152.5
18.2	Products liability - claims-made								
19.1, 19.2	Private passenger auto liability	2,870	11,644,018	2,870	11,644,018	12,968,376	14,713,148	9,899,246	59.1
19.3, 19.4	Commercial auto liability	7,850,812	11,187,183	8,181,481	10,856,514	23,715,010	15,829,012	18,742,512	99.3
21.	Auto physical damage	2,271,185	12,587,745	2,467,538	12,391,392	1,541,663	1,530,219	12,402,836	58.0
22.	Aircraft (all perils)								
23.	Fidelity	(1,710)	48,727	(1,710)	48,727	82,325	49,580	81,471	38.0
24.	Surety					9,250	11,752	(2,502)	(48,683.3)
26.	Burglary and theft	257,069	52,388	257,070	52,387	11,515	61,665	2,238	1.2
27.	Boiler and machinery	73,881	(2,207)	73,881	(2,207)	71,075	42,279	26,589	12.9
28.	Credit								
29.	International								
30.	Warranty								
31.	Reinsurance - nonproportional assumed property	XXX	677,660	127,775	549,885	1,004,914	1,073,311	481,488	55.2
32.	Reinsurance - nonproportional assumed liability	XXX	392,395		392,395	3,462,409	3,486,817	367,987	75.3
33.	Reinsurance - nonproportional assumed financial lines	XXX							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	18,097,800	76,198,903	19,020,785	75,275,918	91,369,559	78,060,801	88,584,677	66.3
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. 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		195,864		195,864		114,605		310,469	10,260
2.	Allied lines		287,198		287,198	2	43,070	2	330,267	34,446
3.	Farmowners multiple peril		115,706		115,706		60,214		175,920	13,203
4.	Homeowners multiple peril		2,719,963		2,719,963	24,000	994,831	24,000	3,714,794	521,507
5.	Commercial multiple peril	847,014	2,346,984	847,014	2,346,984	8,048,844	2,406,512	8,048,844	4,753,496	1,094,037
6.	Mortgage guaranty									
8.	Ocean marine		2,114		2,114		637		2,751	552
9.	Inland marine	174,504	170,057	174,504	170,057	22,121	91,366	22,121	261,423	41,139
10.	Financial guaranty									
11.1	Medical professional liability - occurrence									
11.2	Medical professional liability - claims-made									
12.	Earthquake									
13.	Group accident and health								(a)	
14.	Credit accident and health (group and individual)									
15.	Other accident and health		(412)		(412)		(15)		(a) (427)	
16.	Workers' compensation	14,074,039	13,812,804	17,211,649	10,675,194	3,427,000	9,063,325	5,684,967	17,480,553	3,506,332
17.1	Other liability - occurrence	1,764,184	9,865,142	1,764,184	9,865,142	5,608,876	8,467,990	5,608,876	18,333,133	8,536,996
17.2	Other liability - claims-made					1,844	341	1,844	341	
17.3	Excess workers' compensation									
18.1	Products liability - occurrence	1,324,474	1,124,782	1,324,474	1,124,782	2,075,280	2,015,521	2,075,280	3,140,303	1,965,896
18.2	Products liability - claims-made									
19.1, 19.2	Private passenger auto liability	5,509	8,757,229	5,509	8,757,229		4,211,147		12,968,376	2,308,059
19.3, 19.4	Commercial auto liability	16,758,231	14,377,905	17,320,099	13,816,037	8,980,000	10,116,277	9,197,304	23,715,010	4,845,372
21.	Auto physical damage	474,139	1,530,506	474,171	1,530,474		11,670	480	1,541,663	(82,323)
22.	Aircraft (all perils)									
23.	Fidelity		60,125		60,125		22,200		82,325	8,880
24.	Surety	50,000	9,250	50,000	9,250				9,250	
26.	Burglary and theft	47,851	8,852	47,851	8,852	3,877	2,663	3,877	11,515	6,872
27.	Boiler and machinery		71,075		71,075				71,075	11,165
28.	Credit									
29.	International									
30.	Warranty									
31.	Reinsurance - nonproportional assumed property	XXX	1,072,697	391,743	680,954	XXX	1,927,129	1,603,168	1,004,914	19,252
32.	Reinsurance - nonproportional assumed liability	XXX	1,164,856		1,164,856	XXX	2,297,553		3,462,409	56,367
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34.	Aggregate write-ins for other lines of business									
35.	TOTALS	35,519,945	57,692,697	39,611,199	53,601,444	28,191,844	41,847,034	32,270,763	91,369,559	22,898,014
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	3,219,335			3,219,335
1.2 Reinsurance assumed	6,058,783			6,058,783
1.3 Reinsurance ceded	3,295,703			3,295,703
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	5,982,415			5,982,415
2. Commission and brokerage:				
2.1 Direct excluding contingent		6,069,289		6,069,289
2.2 Reinsurance assumed, excluding contingent		21,178,191		21,178,191
2.3 Reinsurance ceded, excluding contingent		6,102,136		6,102,136
2.4 Contingent - direct		1,053,652		1,053,652
2.5 Contingent - reinsurance assumed		2,290,375		2,290,375
2.6 Contingent - reinsurance ceded		1,053,652		1,053,652
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		23,435,720		23,435,720
3. Allowances to managers and agents		(684)		(684)
4. Advertising		502,556		502,556
5. Boards, bureaus and associations	29,890	721,790		751,680
6. Surveys and underwriting reports	3,835	1,352,644		1,356,479
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	6,049,677	11,506,344	244,481	17,800,502
8.2 Payroll taxes	453,472	849,560	18,042	1,321,075
9. Employee relations and welfare	4,211,905	6,978,450	138,168	11,328,523
10. Insurance	39,725	149,991	3,675	193,391
11. Directors' fees	116,499	439,007	10,777	566,283
12. Travel and travel items	272,660	683,804	15,936	972,399
13. Rent and rent items	588,737	975,442	19,313	1,583,492
14. Equipment	1,056,258	2,249,033	106,826	3,412,117
15. Cost or depreciation of EDP equipment and software	297,327	567,990	34,370	899,687
16. Printing and stationery	27,452	114,406	2,537	144,395
17. Postage, telephone and telegraph, exchange and express	232,667	814,091	30,637	1,077,395
18. Legal and auditing		145,829	342,514	488,342
19. Totals (Lines 3 to 18)	13,380,105	28,050,252	967,274	42,397,631
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$3,137		2,888,958		2,888,958
20.2 Insurance department licenses and fees		204,665		204,665
20.3 Gross guaranty association assessments		14,694		14,694
20.4 All other (excluding federal and foreign income and real estate)		44,587		44,587
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		3,152,905		3,152,905
21. Real estate expenses			422,390	422,390
22. Real estate taxes			(16,643)	(16,643)
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	3,591,790	1,988,384	18,400	5,598,574
25. Total expenses incurred	22,954,310	56,627,261	1,391,422 (a)	80,972,993
26. Less unpaid expenses - current year	22,898,014	7,926,336	137,209	30,961,559
27. Add unpaid expenses - prior year	19,522,938	7,585,886	101,612	27,210,437
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	19,579,234	56,286,811	1,355,825	77,221,870
DETAILS OF WRITE-INS				
2401. Other unallocated expenses	2,788,525			2,788,525
2402. Consulting fees	684,843	1,372,711	15,899	2,073,453
2403. Temporary labor	69,230	131,465	1,477	202,173
2498. Summary of remaining write-ins for Line 24 from overflow page	49,191	484,208	1,024	534,423
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	3,591,790	1,988,384	18,400	5,598,574

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....213,743	.....157,262
1.1	Bonds exempt from U.S. tax	(a) .....1,907,255	.....1,919,138
1.2	Other bonds (unaffiliated)	(a) .....3,285,386	.....3,411,336
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....1,115,152	.....1,192,001
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....530,135	.....530,135
5	Contract loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....38,909	.....38,612
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....1,028,763	.....1,028,763
9.	Aggregate write-ins for investment income .....	.....9,162	.....9,162
10.	Total gross investment income	8,128,505	8,286,409
11.	Investment expenses		(g) .....1,408,065
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....(16,643)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) .....112,034
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		.....1,503,456
17.	Net investment income (Line 10 minus Line 16)		6,782,953
DETAILS OF WRITE-INS			
0901.	Miscellaneous income .....	.....53	.....53
0902.	Security lending income .....	.....6,307	.....6,307
0903.	Prior year income .....	.....2,803	.....2,803
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	9,162	9,162
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		

- (a) Includes \$(76,737) accrual of discount less \$1,043,509 amortization of premium and less \$128,750 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$482,949 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$880 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$112,034 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	533,395		533,395	(199,390)	
1.1	Bonds exempt from U.S. tax	21,302		21,302		
1.2	Other bonds (unaffiliated)	(13,664)		(13,664)	14,138	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	3,198,772		3,198,772	4,705,354	
2.21	Common stocks of affiliates				1,054,967	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments	847		847		
7.	Derivative instruments					
8.	Other invested assets	(224,449)	(54,338)	(278,787)	355,799	114,946
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	3,516,203	(54,338)	3,461,865	5,930,868	114,946
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	87,573	132,636	45,063
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	1,607,979		(1,607,979)
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,695,552	132,636	(1,562,916)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	11,300	7,315	(3,985)
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets		1,065	1,065
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	132,475	27,777,911	27,645,436
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,839,327	27,918,927	26,079,601
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,839,327	27,918,927	26,079,601
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Prepaid expenses	91,482	68,200	(23,282)
2502. Automobiles	25,769	29,648	3,879
2503. Assessments paid in advance	9,566	9,566	
2598. Summary of remaining write-ins for Line 25 from overflow page	5,657	27,670,497	27,664,840
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	132,475	27,777,911	27,645,436

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

Net Income	SSAP #	F/S Page	F/S Line #	Period Ended December 31, 2017	Period Ended December 31, 2016
(1) Motorists Commercial Mutual Insurance Company state basis	XXX	XXX	XXX	(22,425,138)	4,559,034
(2) State Prescribed Practices that is an increase/(decrease) from NAIC SAP				-	-
(3) State Permitted Practices that is an increase/(decrease) from NAIC SAP				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	(22,425,138)	4,559,034
Surplus					
(5) Motorists Commercial Mutual Insurance Company state basis	XXX	XXX	XXX	147,474,232	156,687,857
(6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP				-	-
(7) State Permitted Practices that is an increase/(decrease) from NAIC SAP				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	147,474,232	156,687,857

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

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

C. Accounting Policy

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

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

In addition, the company uses the following accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- 3) Common stocks are valued at market. However, investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are valued using the equity basis.
- 4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
- 5) The company does not have any mortgage loans.
- 6) Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The retrospective adjustment method is used to value these securities.
- 7) The company owns 30% of the common stock of Motorists Life Insurance Company, a life insurer, and 100% of the common stock of MCM Agency, Inc., an insurance broker. Motorists Life Insurance Company is valued on an equity basis as described in Part 5, Section 2cIB1 of the *Securities Valuation Handbook*. MCM Agency, Inc. is valued on an equity basis as described in Part 5, Section 2cIB2 of the *Securities Valuation Handbook*.
- 8) The company has investments in limited partnerships and limited liability companies. In accordance with SSAP No. 48: Joint Ventures, Partnerships and Limited Liability Companies, the investments are recorded using the equity method of accounting based on the underlying audited U.S. GAAP equity values of the holdings. The company also has partnership investments in low income housing tax credit properties. In accordance with SSAP No. 93: Accounting for Low Income Housing Tax Credit Property Investments, the investments are reported at amortized cost.
- 9) The company does not hold any derivative securities.
- 10) The company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts – Premiums.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported (IBNR). Such liabilities are necessarily based on assumptions and estimates. While management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Motorists Insurance Group standardized its thresholds for capitalization across all member companies. The Group also implemented updates for software licenses and maintenance agreements that allow amortization over service periods for material transactions.
- 13) The company does not have any pharmaceutical rebate receivables to report.

D. Going Concern

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

2. Accounting Changes and Corrections of Errors

The Motorists Insurance Group elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. In conjunction with this election, the company voluntarily changed the accounting for its benefit plans to a mark-to-market (MTM) valuation approach. Under the MTM accounting method, actuarial and asset valuation gains and losses are recognized immediately as current year net benefit costs in the Statement of Operations, rather than by amortizing (smoothing) the gains and losses over future calendar years.

This change in accounting principle was applied retrospectively back to January 1, 2017 in accordance with SSAP #3, Accounting Changes and Correction of Errors, and SSAP #102, Pensions. The accounting for the cumulative unamortized plan costs as of January 1, 2017 of \$121.2 million and current year service costs and actuarial and asset valuation gains and losses totaling \$37.0 million had the following financial impact on the company and its property/casualty affiliates.

(in thousands)	Net Income	Change in Accounting Principle	Change in Non- Admitted Prepaid Pension Assets	Change in Benefit Obligations	Surplus Change
Motorists Mutual Insurance Company	\$ (25,328)	\$ (83,043)	\$ 46,092	\$ 48,651	\$ (13,628)
Consumers Insurance USA, Inc.	\$ (1,109)	\$ (3,637)			\$ (4,746)
Iowa Mutual Insurance Company	\$ (1,109)	\$ (3,637)			\$ (4,746)
Iowa American Insurance Company	\$ (370)	\$ (1,212)			\$ (1,582)
Motorists Commercial Mutual Insurance Co.	\$ (6,840)	\$ (22,428)	\$ 27,635		\$ (1,633)
Phenix Mutual Fire Insurance Company	\$ (1,109)	\$ (3,637)			\$ (4,746)
Wilson Mutual Insurance Company	\$ (1,109)	\$ (3,637)			\$ (4,746)
Total	\$ (36,975)	\$ (121,231)	\$ 73,727	\$ 48,651	\$ (35,827)

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

The company did not have any business combination or goodwill transactions during the periods reported.

4. Discontinued Operations

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

5. Investments

- A. The company did not have any mortgage loans or mezzanine real estate loans during the periods reported.
- B. The company was not involved in any debt restructuring during the periods reported.
- C. The company did not have any reverse mortgages during the periods reported.
- D. Loan-Backed Securities

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

1.	Less than 12 months	61,127
2.	12 months or longer	150,504

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

1.	Less than 12 months	7,950,467
2.	12 months or longer	6,993,225

- 5) The company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.
- E. The company did not have any dollar repurchase agreements or relevant securities lending transactions during the periods reported.
- F. The company did not have any repurchase agreements transactions accounted for as secured borrowing during the periods reported.
- G. The company did not have any reverse repurchase agreements transactions accounted for as secured borrowing during the periods reported.
- H. The company did not have any repurchase agreements transactions accounted for as a sale during the periods reported.
- I. The company did not have any reverse repurchase agreements transactions accounted for as a sale during the periods reported.
- J. Real Estate
- 1) The company did not recognize any impairment losses for investments in real estate during the periods reported.
- 2) The company did not hold any real estate classified as held for sale during the periods reported.
- 3) The company did not experience any changes to its plans of sale for its real estate investments during the periods reported.
- 4) The company did not engage in retail land sales operations during the periods reported.
- 5) The company did not hold any real estate investments with participating mortgage loan features during the period reported.
- K. The company invested in a low income housing tax credit (LIHTC) fund during 2017.
- 1) As of December 31, 2017, the company's LIHTC investments had 1 year of unexpired tax credits remaining. There is not a required holding period for the LIHTC investments.
- 2) As of the date of this publication, there were not any underlying properties in the LIHTC funds known to be under regulatory review.
- 3) In aggregate, the company's LIHTC investments did not exceed 10% of total admitted assets during 2017.
- 4) The company did not recognize any impairment losses on LIHTC investments during 2017.
- 5) The company did not make any write-downs or reclassifications due to forfeitures, ineligibility of low income housing tax credits, or other reasons during 2017.
- L. Restricted Assets
- 1) The company held restricted assets as listed below:

	Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						Current Year				
										Percentage		
		Current Year					6	7	8	9	10	11
		1	2	3	4	5						
		Total General Account (G/A)	G/A Supporting Protected Cell 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	Increase / (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted	Gross Admitted & Nonadmitted Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
a.	Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-	-	-	-	-	
b.	Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	-	
c.	Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-	
d.	Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	
e.	Subject to dollar repurchase	-	-	-	-	-	-	-	-	-	-	
f.	Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	
g.	Placed under option contracts	-	-	-	-	-	-	-	-	-	-	
h.	Letter stock or securities restricted as to sale - excluding FHLB capital	-	-	-	-	-	-	-	-	-	-	
i.	FHLB capital stock	-	-	-	-	-	-	-	-	-	-	
j.	On deposit with states	11,631,668	-	-	-	11,631,668	12,791,517	(1,159,849)	-	11,631,668	3.14%	3.15%
k.	On deposit with other regulatory	-	-	-	-	-	-	-	-	-	-	-
l.	(including assets backing funding agreement(s))	-	-	-	-	-	-	-	-	-	-	-
m.	Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-	-
n.	Other restricted assets	-	-	-	-	-	-	-	-	-	-	-
o.	Total Restricted Assets	11,631,668	-	-	-	11,631,668	12,791,517	(1,159,849)	-	11,631,668	3.14%	3.15%

- 2) The company did not have any assets pledged as collateral not captured in other categories.
- 3) The company did not have any other restricted assets.
- 4) The company did not have any collateral received assets.
- M. The company was not involved in any Working Capital Finance Investments during the periods reported.
- N. As of December 31, 2017, the company was not involved in any Offsetting and Netting of Assets and Liabilities during the periods reported.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

O. The company held structured notes as listed below:

<u>CUSIP Identification</u>	<u>Actual Cost</u>	<u>Fair Value</u>	<u>Book/Adjusted Carrying Value</u>	<u>Mortgage- Referenced Security (YES/NO)</u>
00248PAP1	2,000,000	2,000,000	2,000,000	NO
38376GM80	946,880	1,005,374	952,944	YES
67106JAN0	2,000,000	2,000,000	2,000,000	NO
912810FD5	222,379	220,109	215,593	NO
912810FH6	295,530	306,839	280,734	NO
912810FQ6	106,161	115,345	105,526	NO
912810FR4	425,256	387,722	409,396	NO
912810FS2	243,772	251,624	247,139	NO
912810PS1	144,228	143,106	144,731	NO
912810PV4	1,507,495	1,383,131	1,462,687	NO
912810PZ5	245,043	250,859	245,902	NO
912810QF8	112,347	155,927	126,276	NO
912810QP6	212,303	236,133	216,161	NO
912810QV3	246,106	264,543	256,626	NO
912810RA8	184,228	188,964	197,569	NO
912810RF7	320,228	342,117	328,736	NO
912810RL4	309,913	315,824	315,446	NO
912810RR1	90,829	100,403	94,474	NO
912810RW0	157,841	169,897	159,586	NO
912828L3	179,274	180,543	180,684	NO
912828B25	524,699	548,592	542,317	NO
912828C99	317,791	325,603	328,049	NO
912828H45	530,328	567,717	555,082	NO
912828JX9	202,758	193,472	196,589	NO
912828K33	480,253	494,046	497,933	NO
912828LA6	221,566	250,137	258,024	NO
912828MF4	259,994	257,519	260,115	NO
912828N71	174,358	179,306	179,901	NO
912828NM8	413,730	408,761	421,619	NO
912828PP9	410,590	406,440	414,289	NO
912828Q60	277,787	279,847	284,125	NO
912828QV5	382,256	396,001	397,020	NO
912828S50	335,263	341,865	343,410	NO
912828SA9	507,171	499,306	525,045	NO
912828TE0	2,717,917	2,700,557	2,782,982	NO
912828UH1	403,399	397,630	421,574	NO
912828V49	159,712	162,429	163,135	NO
912828VM9	511,937	544,634	533,177	NO
912828WU0	501,927	523,583	523,068	NO
912828X39	211,067	212,370	213,726	NO
912828XL9	510,242	529,751	530,087	NO
92936CAJ8	3,787,395	4,008,071	3,759,986	YES
Total	23,791,952	24,246,100	24,071,463	XXX

- P. The company did not hold 5* securities.
- Q. The company did not have any short sales during the period reported.
- R. The company did not pay any prepayment penalty and acceleration fees during the period reported.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

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

8. Derivative Instruments

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

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

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

		12/31/2017			12/31/2016			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
1										
a	Gross Deferred Tax Assets	11,929,696	85,324	12,015,021	9,419,897	158,989	9,578,886	2,509,799	(73,665)	2,436,135
b	Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
c	Adjusted Gross Deferred Tax Assets (1a-1b)	11,929,696	85,324	12,015,021	9,419,897	158,989	9,578,886	2,509,799	(73,665)	2,436,135
d	Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
e	Subtotal Net Deferred Tax Assets(Liabilities) (1c-1d)	11,929,696	85,324	12,015,021	9,419,897	158,989	9,578,886	2,509,799	(73,665)	2,436,135
f	Deferred Tax Liabilities	920,425	5,394,677	6,315,102	155,688	7,240,850	7,396,538	764,737	(1,846,173)	(1,081,436)
g	Net Admitted Deferred Tax Assets(Liabilities) (1e-1f)	11,009,272	(5,309,353)	5,699,919	9,264,209	(7,081,861)	2,182,348	1,745,063	1,772,508	3,517,571
2	Admission Calculation Components	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a	Federal income taxes paid in prior years recoverable through loss carrybacks (11a)	-	-	-	1,432,162	98,348	1,530,510	(1,432,162)	(98,348)	(1,530,510)
b	Adjusted gross DTAs expected to be realized after application of the threshold limitations (Lesser of 11bi or 11bii below)	9,492,393	74,314	9,566,707	7,056,133	-	7,056,133	2,436,260	74,314	2,510,574
1	Adjusted gross DTAs expected to be realized following the balance sheet date (11bi)	9,492,393	74,314	9,566,707	7,056,133	-	7,056,133	2,436,260	74,314	2,510,574
2	Adjusted gross DTAs allowed per limitation threshold (11bii)	20,937,848	74,314	21,012,162	23,138,594	-	23,138,594	(2,200,746)	74,314	(2,126,432)
c	Adjusted gross DTAs offset by gross DTLs (11c)	2,437,303	11,010	2,448,313	931,602	60,641	992,243	1,505,701	(49,631)	1,456,070
d	DTAs Admitted as the result of application of SSAP No. 101 (Total 2a+2b+2c)	11,929,696	85,324	12,015,021	9,419,897	158,989	9,578,886	2,509,799	(73,665)	2,436,135
3	Disclosure of ratios used for threshold limitation	2017	2016							
a	ExDTA ACL RBC % used to determine recovery period and threshold limitation amount in 2(b) above	671	867							
b	Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above	143,563,923	156,252,085							
4	Impact of Tax Planning Strategies	12/31/2017			12/31/2016		Change			
	On the Determination of:	Ordinary	Capital		Ordinary	Capital	Ordinary	Capital		
a	Adjusted Gross DTAs in 1(c) above	11,929,696	85,324		9,419,897	158,989	2,509,799	(73,665)		
	% of Total Adjusted Gross DTAs	27.0%	0.0%		0.0%	0.0%	27.0%	0.0%		
	Net Admitted Adjusted Gross DTAs in 1(e) above	11,929,696	85,324		9,419,897	158,989	2,509,799	(73,665)		
	% of Total Net Admitted Adjusted Gross DTAs	27.0%	0.0%		0.0%	0.0%	27.0%	0.0%		
b	Does the company's tax-planning strategies include the use of reinsurance?	Yes			No		X			

B. There were no temporary differences for which deferred tax liabilities were not recognized.

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

Current Income Tax	12/31/2017	12/31/2016	Change
Federal	(3,264,964)	128,269	(3,393,233)
Foreign	-	-	-
Subtotal	(3,264,964)	128,269	(3,393,233)
Federal income tax on net capital gains	1,212,057	1,000,408	211,649
Utilization of capital loss carry-forward	-	-	-
Other	-	-	-
Federal and foreign income taxes incurred	(2,052,907)	1,128,677	(3,181,584)

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

Deferred tax assets:		12/31/2017	12/31/2016	Change
a	Ordinary			
	Discounting of unpaid losses	2,600,384	2,608,593	(8,209)
	Unearned premium reserve	2,533,841	4,102,321	(1,568,480)
	Investments	3,187	-	3,187
	Policy holders dividends accruals	194,154	300,676	(106,522)
	Fixed Assets	3,300	16,231	(12,931)
	Compensation and benefit accruals	12,616	108,752	(96,136)
	Minimum Pension Liability	-	-	-
	Nonadmitted Assets	398,179	85,983	312,196
	Net operating loss and contribution carry-forward	4,108,280	-	4,108,280
	Foreign tax , LIHC and AMT credit carry-forward	2,048,634	2,151,768	(103,134)
	Other	27,122	45,573	(18,451)
99	Subtotal	11,929,696	9,419,897	2,509,799
b	Statutory Valuation Allowance adjustment	-	-	-
c	Nonadmitted	-	-	-
d	Admitted ordinary deferred tax assets (2a99-2b-2c)	11,929,696	9,419,897	2,509,799
e	Capital			
	Investments	85,324	158,989	(73,665)
	Net capital loss carry-forward	-	-	-
99	Subtotal	85,324	158,989	(73,665)
f	Statutory Valuation Allowance adjustment	-	-	-
g	Nonadmitted	-	-	-
h	Admitted capital deferred tax assets (2e99-2f-2g)	85,324	158,989	(73,665)
i	Admitted deferred tax assets (2d+2h)	12,015,021	9,578,886	2,436,135
Deferred Tax Liabilities:				
a	Ordinary			
	Investments	97,284	155,688	(58,404)
	Fixed Assets	1,307	-	1,307
	Discounting of unpaid losses transitional adjustment	821,834	-	821,834
99	Subtotal	920,425	155,688	764,737
b	Capital			
	Investments	5,394,677	7,240,850	(1,846,173)
	Other	-	-	-
99	Subtotal	5,394,677	7,240,850	(1,846,173)
c	Deferred tax liabilities (3a99+3b99)	6,315,102	7,396,538	(1,081,436)
Net deferred tax assets/liabilities (2i-3c)		5,699,919	2,182,348	3,517,571

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

The company's deferred income tax assets and liabilities as of December 31, 2017, were reported using the 21% tax rate, enacted on December 22, 2017, under the Tax Cuts and Jobs Act (Act). The change in the deferred taxes due to the change in tax rates is reflected in Note 9D, line "Rate Differential". In addition, deferred taxes for 2017 included provisional amounts related to loss reserves discounting adjustments under the Act. These provisional evaluations were based on the company's current interpretation of the legislation and insurance industry group guidance. Given the complexity of the legislation, anticipated guidance from the U.S. Treasury, and the potential for additional guidance from Statutory Accounting Principle Working Group, these estimates may be adjusted during 2018.

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

	12/31/2017	12/31/2016	Effective Tax Rate	
Current income taxes incurred	(2,052,907)	1,128,677		
Change in deferred income tax (without tax on unrealized gains and losses)	(1,671,398)	686,269		
Total income tax reported	(3,724,305)	1,814,946		
Income before taxes	(24,478,045)	5,687,711		
Expected income tax expense (benefit) at 35% statutory rate	(8,567,316)	1,990,699	35.0%	35.0%
Increase (decrease) in actual tax resulting from:				
a) Tax exempt interest net of proration	(548,457)	(512,699)	2.2%	-9.0%
b) Dividends received deduction net of proration	(90,102)	(88,635)	0.4%	-1.6%
c) Change in deferred tax benefit on nonadmitted assets	(548,245)	70,049	2.2%	1.2%
d) Low income housing and foreign tax credits	13,170	(164,968)	-0.1%	-2.9%
f) Recognized partnership income	-	(33,086)	0.0%	-0.6%
g) Prior period adjustment	-	(12,574)	0.0%	-0.2%
h) Rate Differential	5,844,662	(56,877)	-23.9%	-1.0%
i) Treasury Inflation Protection securities	(62,986)	93,167	0.3%	1.6%
j) Nondeductible expenses	2,030	1,067	0.0%	0.0%
l) Provision to return adjustment	227,915	543,798	-0.9%	9.6%
m) Other	5,024	(14,995)	0.0%	-0.3%
Total income tax reported	(3,724,305)	1,814,946	15.2%	31.9%

- E. 1) As of December 31, 2017, the company had the following tax credits carry-forwards:

Operating loss carry-forwards	Amount
	19,563,238
	19,563,238
Low income housing credit carry -forwards	Amount
	22,105
	184,373
	243,606
	207,686
	207,009
	207,729
	151,274
	1,223,782
Research & experimentation credit carry-forwards	Amount
	524
	524

The company has an alternative minimum tax credit carryover in the amount of \$824,328. It does not have an expiration date.

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

	Ordinary	Capital	Total
2017 (current year)	-	-	-
2016 (current year - 1)	-	-	-
2015 (current year - 2)	-	-	-

- 3) The company did not have any deposits admitted under Section 6603 of the Internal Revenue Service (IRS) Code as of December 31, 2017.

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

MCM Insurance Agency, Inc.
MCM Insurance Agency, Inc. of MA

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

- G. As of December 31, 2017, the company did not have any federal or foreign income tax loss contingencies.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A.-C. Motorists Mutual Insurance Company and BrickStreet Mutual Insurance Company secured regulatory approval to enter into an affiliation agreement on April 20th and executed the agreement on April 24, 2017. The companies entered into various intercompany agreements, including intercompany reinsurance pooling and cost sharing agreements, effective January 1, 2018. Schedule Y reflects an updated organization chart with Motorists Mutual as the ultimate controlling entity of the Motorists Insurance Group.

On June 30, 2017, Consumers Insurance Group, Inc., a Tennessee corporation, was dissolved. The company's assets, including Consumers Insurance USA, Inc., and its liabilities were merged into its parent company, Motorists Mutual Insurance Company.

On June 15, 2017, BrickStreet Insurance Agency, LLC., a West Virginia limited liability company was dissolved.

On September 29, 2017, Motorists Mutual and Motorists Commercial made respective \$1,575,000 (70%) and \$675,000 (30%) surplus contributions to their subsidiary Motorists Life Insurance Company.

On December 14, 2016, Motorists Mutual Insurance Company formed a limited liability company, MIG Realty LLC, to engage in commercial real estate development. Motorists Mutual contributed a single parcel of land to MIG Realty LLC on September 29, 2017. As a wholly owned subsidiary MIG Realty qualifies for accounting using the look through approach. As a result, all assets and liabilities on MIG Realty's balance sheet are recognized on Motorists Mutual's balance sheet.

- D. As of December 31, 2017, and 2016, the company reported net amounts due from/(due to) affiliates of \$(346,202) and \$(345,128), respectively. All amounts were settled within 60 days.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- E. The company did not have any guarantees or undertakings for the benefit of an affiliate or related party that resulted in a material contingent exposure to the company or any related parties during the periods reported.
- F. During the periods reported, the company had a management arrangement with Motorists Mutual Insurance Company, an Ohio-based affiliate, whereby Motorists provided management services to the company. The company had a separate agreement with Motorists Service Corporation (MSC), a wholly owned subsidiary of Motorists, whereby MSC delivered staffing services to the company. The company also had an arrangement with its affiliates whereby costs for common facilities and support services were shared.
- G. The company is a mutual property/casualty insurer and an affiliate of The Motorists Insurance Group. Motorists Mutual Insurance Company is the ultimate controlling entity of The Group through an interlocking board of directors.
- H. The company did not own any shares, directly or indirectly, of an upstream intermediate entity or ultimate parent during the periods reported.
- I. The company did not have any investments in subsidiary, controlled, or affiliated entities that exceed 10% of admitted assets during the periods reported.
- J. The company did not recognize any impairment write-downs for investments in subsidiary, controlled, or affiliated entities during the periods reported.
- K. The company did not have any investments in foreign insurance subsidiaries during the periods reported.
- L. The company did not have any investments in downstream non-insurance holding companies during the periods reported.
- M. The company held SCA Investments during the periods reported.

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities		\$ -	\$ -	\$ -
Total SSAP No 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No 97 8b(ii) Entities MCM Agency	100%	\$ 87,573	\$ -	\$ 87,573
Total SSAP No 97 8b(ii) Entities	XXX	\$ 87,573	\$ -	\$ 87,573
c. SSAP No 97 8b(iii) Entities		\$ -	\$ -	\$ -
Total SSAP No 97 8b(iii) Entities	XXX	\$ -	\$ -	\$ -
d. SSAP No 97 8b(iv) Entities		\$ -	\$ -	\$ -
Total SSAP No 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
e. Total SSAP No 97 8b Entities (except 8bi entities) (b+c+d)		\$ 87,573	\$ -	\$ 87,573
f. Aggregate Total (a+e)		\$ 87,573	\$ -	\$ 87,573

(2) NAIC Filing Response Information

SCA Entity	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code **
a. SSAP No. 97 8a Entities			\$ -			
Total SSAP No 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No 97 8b(ii) Entities MCM Agency	S1	12/22/2016	\$ 87,573	Y	N	
Total SSAP No 97 8b(ii) Entities	XXX	XXX	\$ 87,573	XXX	XXX	XXX
c. SSAP No 97 8b(iii) Entities	N/A	N/A	\$ -	N		
Total SSAP No 97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. SSAP No 97 8b(iv) Entities			\$ -			
Total SSAP No 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$ 87,573	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ 87,573	XXX	XXX	XXX

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

11. Debt

- A. The company did not have any capital notes or other debt obligations outstanding during the periods reported.
- B. The company did not have any Federal Home Loan Bank agreements in place during the periods reported.

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

- A-D. The company participated in a defined benefit pension plan sponsored by its affiliate, Motorists Mutual Insurance Company ("Motorists Mutual"), until the sponsor elected to freeze the pension plan effective December 31, 2017. See note 12 in the Notes to the Financial Statement under Motorists Mutual for additional information.
- E. The company participated in an incentive savings plan sponsored by its affiliate, Motorists Mutual, during the periods reported. The sponsor contributed up to a maximum of 3% of each associate's compensation and allocated a portion of the cost to the company through a cost sharing and/or intercompany pooling arrangement. The company's share of the contributions to the plan were \$28,895 and \$31,600 for 2017 and 2016, respectively. In addition, the company made a special contribution in 2017 totaling \$305,551 in connection with the pension benefit plan change noted above.
- F. The company did not participate in any multi-employer plans during the periods reported.
- G. The company participated in a non-contributory defined benefit pension plan sponsored by its affiliate, Motorists Mutual, during the periods reported. The sponsor elected to freeze the benefit plan effective December 31, 2017. The company has no legal obligation for benefits under the plan. The company was allocated a portion of the plan costs through 6,840,427 and \$252,291 in 2017 and 2016, respectively.
- H. The company's financial records include adequate accruals for all post-employment benefit obligations and compensated absences.
- I. The company did not sponsor or participate in any post-retirement benefits plans during the periods reported.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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

- 1) Information concerning capital stock is not applicable. The company is a mutual property/casualty insurer.
- 2) Information concerning preferred stock is not applicable. The company is a mutual property/casualty insurer.
- 3) Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- 4) Information concerning stock dividend payments is not applicable. The company is a mutual property/casualty insurer.
- 5) Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- 6) There were not any restrictions on the company's surplus during the periods reported.
- 7) There were not any advances to surplus to disclose for the periods reported.
- 8) The company did not hold any stock for special purposes during the periods reported.
- 9) The company did not have any special surplus funds to disclose for the periods reported.
- 10) As of December 31, 2017, the portion of unassigned funds (surplus) represented by cumulative unrealized gains (net of deferred FIT) was \$24,023,698.
- 11) The company did not have any surplus debentures or similar obligations to disclose for the periods reported.
- 12) Information concerning quasi-reorganization is not applicable.
- 13) Information concerning quasi-reorganization is not applicable.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

- 1) At December 31, 2017, the company had outstanding commitments associated with joint venture interests totaling \$2,673,830.
- 2) The aforementioned commitments are not reflected as liabilities in the accompanying financial statement. The figure presented represents the sum of the company's maximum potential outlays related to the commitments. Other details are provided below:

(1)	(2)	(3)	(4)	(5)
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted)	Current status of payment or performance risk of guarantee
Aberdeen Institutional Commingled Funds, LLC	-	Increase in other invested assets	0	All current capital calls have been funded.
Adams Street 2012 Global Fund LP	-	Increase in other invested assets	1,114,400	All current capital calls have been funded.
HarbourVest Partners, LLC	-	Increase in other invested assets	1,516,930	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	-	Increase in other invested assets	42,500	All current capital calls have been funded.
Total	-		2,673,830	

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

a. Aggregate Maximum Potential of Future Payments of all Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	2,673,830
b. Current Liability Recognized in F/S	
1. Noncontingent Liabilities	-
2. Contingent Liabilities	-
c. Ultimate Financial Statement Impact if action under the guarantee is required.	
1. Investments in SCA	-
2. Joint Venture	2,673,830
3. Dividends to Stockholders (capital contribution)	-
4. Expense	-
5. Other	-
6. Total (Should equal (3)a.)	2,673,830

B. Assessments

The company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss-based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The company's net paid guaranty fund assessments totaled \$30,240 and \$3,402 for the years ended December 31, 2017, and 2016, respectively. The company's net accrued liabilities for guaranty funds were \$146,008 and \$161,847 as of December 31, 2017, and 2016, respectively. Per the accounting practices and procedures prescribed by the company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.

C. Gain Contingencies

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

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

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

E. Product Warranties

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

F. Joint and Several Liabilities

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

G. All Other Contingencies

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

15. Leases

A. Leasing Arrangements

- 1) The company leases computer-related equipment under various operating lease arrangements and has entered into various agreements for information technology-related services through December 2022. The expenses for these commitments for 2017 and 2016 were \$726,843 and \$237,931, respectively.
- 2) As of December 31, 2017, the company had aggregate commitments of \$2,430,393. Commitments for the next five years are as follows:

Fiscal Year	Commitment
2018	861,842
2019	857,399
2020	351,152
2021	180,000
2022	180,000

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- 3) The company was not involved in sale-leaseback transactions during the periods reported.
- B. The company did not act as a lessor in business activities or participate in leveraged leases during the periods reported.

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

- 1.-2. The company did not have any off-balance sheet risks for the periods disclosed.
- 3.-4. The company is exposed to concentration of credit risk due to cash deposits in excess of federal insured limits. The company mitigates its exposure to losses from these cash deposits by monitoring the financial stability of the financial institutions involved and thru the concentration of funds and nightly sweep to mutual fund investments.
- The company is exposed to credit-related losses in the event that a bond issuer may default on its obligation. The company mitigates its exposure of these credit related losses by maintaining a diversified bond portfolio with high credit ratings. The company also is exposed to credit related losses in the event a reinsurer is unable to honor its liabilities to the company. The company mitigates its exposure to losses from insolvent reinsurers by continuously monitoring the credit rating of all the company's reinsurers.

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

- A. The company did not have any transfers of receivables reported as sales during the periods reported.
- B. Transfer and Servicing of Financial Assets
- 1) As of December 31, 2017, the company was not involved in any securities lending programs.
- 2) The company did not have any servicing assets or servicing liabilities to disclose for the periods reported.
- 3) The company did not have any servicing assets or servicing liabilities to disclose for the periods reported.
- 4) The company did not obtain any assets or incur any liabilities due to the transfer of financial assets during the periods reported.
- 5) The company did not securitize any financial assets during the periods reported.
- 6) The company was not involved in any transfers of receivables during the periods reported.
- 7) The company did not have any repurchase or reverse repurchase agreements during the periods reported.
- C. Wash Sales
- In the course of the company's asset management, there were not any securities sales and reacquisitions made within 30 days of the sale date to enhance the yield on the investment portfolio.

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

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

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

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

20. Fair Value Measurements

- A. Fair Value Hierarchy
- 1) Information regarding assets measured at fair value on a recurring basis is provided below:

Description for each class of asset or liability	Fair Value Measurements at December 31, 2017			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
a. Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	-	-	-	-
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	-	-	-
Hybrid Securities	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	-	-	-
Common Stock				
Industrial and Misc	58,693,908	-	45,134	58,739,042
Parents, Subsidiaries and Affiliates	-	-	20,672,804	20,672,804
Total Common Stocks	58,693,908	-	20,717,938	79,411,846
Other invested assets	-	-	25,517,072	25,517,072
Total assets at fair value	58,693,908	-	46,235,010	104,928,919
b. Liabilities at fair value				
Total liabilities at fair value	-	-	-	-

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

	Beginning balance at January 1, 2017	Transfers into Level 3	Transfers out of Level 3	Total gains or losses included in Net Income (realized)	Total gains or losses included in Surplus (unrealized)	Purchases	Issuances	Sales	Settlements	Ending balance at December 31, 2017
a. Assets										
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Fixed Maturities	-	-	-	-	-	-	-	-	-	-
Common Stock										
Industrial and Misc	45,145	-	-	-	(11)	-	-	-	-	45,134
Parents, Subsidiaries and Affiliates	18,792,837	-	-	-	1,204,968	-	675,000	-	-	20,672,804
Other Invested Assets	26,725,670	-	-	(188,994)	470,745	770,000	8,000,000	(10,260,348)	-	25,517,072
Total Assets	45,563,651	-	-	(188,994)	1,675,702	770,000	8,675,000	(10,260,348)	-	46,235,010
b. Liabilities										
Total Liabilities	-	-	-	-	-	-	-	-	-	-

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- 5) The company does not hold any derivative assets or liabilities.
- B. The company did not have any other assets measured at fair value.
- C. Fair Value Measurement:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	172,929,610	168,081,423	-	172,929,610	-	-
Common Stock	79,411,846	79,324,274	58,693,908	-	20,717,938	-
Other Invested Assets	26,048,746	25,067,343	-	-	25,517,072	531,673
	278,390,202	272,473,040	58,693,908	172,929,610	46,235,010	531,673

D. Not Practicable to Estimate Fair Value:

	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Other Invested Assets				
Low Income Housing	531,673	n/a	n/a	Asset is not a marketable financial instrument

21. Other Items

- A. Extraordinary Items
The company did not have any extraordinary items to disclose for the periods reported.
- B. Troubled Debt Restructuring: Debtors
The company did not have any transactions related to troubled debt restructurings during the periods reported.
- C. Other Disclosures and Unusual Items
The company elected to use rounding in the reporting of amounts in this statement.
- D. Business Interruption Insurance Recoveries
There were not any business interruption insurance recoveries received during the periods reported.
- E. State Transferable and Non-transferable Tax Credits
The company did not have any state transferable or non-transferable tax credits to disclose for the periods reported.
- F. Subprime-Mortgage-Related Risk Exposure
The company did not hold any investments with subprime mortgage related risk exposure during the periods reported.
- G. Insurance Linked Securities
The company was not the issuer, ceding insurer, or the counterparty of any insurance linked securities during the periods reported.

22. Events Subsequent

Type I. Recognized Subsequent Events

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

Type II. Nonrecognized Subsequent Events

Effective January 1, 2018, BrickStreet Mutual Insurance Company and its subsidiaries entered into an intercompany reinsurance pooling agreement with the Motorists Pool Group. Each company's pool share is listed below.

	Pooling Share
Motorists Mutual Insurance Company	32.4%
MICO Insurance Company	0.0%
Consumers Insurance USA, Inc.	2.1%
Motorists Commercial Mutual Insurance Company	10.3%
Wilson Mutual Insurance Company	1.7%
Iowa Mutual Insurance Company	1.7%
Iowa American Insurance Company	0.6%
Phenix Mutual Fire Insurance Company	1.6%
BrickStreet Mutual Insurance Company	48.0%
NorthStone Insurance Company	0.0%
PinnaclePoint Insurance Company	0.8%
SummitPoint Insurance Company	0.8%
HM Casualty Insurance Company	0.0%

The change in pooling participants and shares will necessitate a realignment of balance sheet related underwriting balances which will be settled between pool members in the first quarter of 2018.

BrickStreet Mutual Insurance Company made \$15.0 million capital contributions to its subsidiaries SummitPoint Insurance Company and PinnaclePoint Insurance Company so that they may qualify for accredited reinsurance status in the State of Ohio.

On October 30, 2017, the board of directors for HM Casualty Insurance Company approved a name change to AlleghenyPoint Insurance Company. The name change is effective January 1, 2018.

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

23. Reinsurance

- A. Unsecured Reinsurance Recoverables
As of December 31, 2017, the company had unsecured aggregate recoverables for losses paid and unpaid (including IBNR), loss adjustment expenses, and unearned premium with a reinsurer that exceeded 3% of the company's surplus. The reinsurer and the associated unsecured recoverable balance are listed below.
- | Company Name | NAIC Number | FEIN Number | Unsecured Recoverable |
|------------------------------------|-------------|-------------|-----------------------|
| Motorists Mutual Insurance Company | 14621 | 31-4259550 | \$81,325,674 |
- B. Reinsurance Recoverable in Dispute
As of December 31, 2017, the company did not have any reinsurance recoverable amounts in dispute from any one reinsurer that exceeded 5% of policyholder surplus.
- C. Reinsurance Assumed and Ceded
- 1) The maximum amount of return commission that would have been due reinsurers if they or the company had cancelled all of the company's reinsurance or if the company or a receiver had cancelled all of the company's assumed contracts as of December 31, 2017, with the return of the unearned premium reserve is illustrated below:

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	60,322,981	9,546,194	21,050,854	3,972,520	39,272,127	5,573,674
b. All Other	413,866	9,709	693,089	134,699	(279,223)	(124,991)
c. Total	60,736,847	9,555,903	21,743,943	4,107,219	38,992,904	5,448,684
d. Direct Unearned Premium Reserve		21,330,077				

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

	(1) Direct	(2) Assumed	(3) Ceded	(4) Net
a. Contingent Commission	1,088,380	2,439,376	1,088,380	2,439,376
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	1,088,380	2,439,376	1,088,380	2,439,376

3) Information concerning protected cells is not applicable.

- D. Uncollectible Reinsurance
There were not any reinsurance balances written off as uncollectible during the year.
- E. Commutation of Ceded Reinsurance
The company did not commute any ceded reinsurance balances during the year.
- F. Retroactive Reinsurance
The company did not have any retroactive reinsurance contracts in place during the periods reported.
- G. Reinsurance Accounted for as a Deposit
The company did not have any agreements in place that required reinsurance to be accounted for as a deposit during the periods reported.
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements
The company did not enter into any special run-off agreements.
- I. Certified Reinsurer Downgraded or Status Subject to Revocation
The company has never been classified as a certified reinsurer, and its records do not reflect any certified reinsurers that experienced a rating downgrade or are subject to revocation action.
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation
The company does not hold any retroactive reinsurance agreements covering asbestos and pollution liabilities which qualify for reinsurer aggregation.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

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

- F. Risk-Sharing Provisions of the Affordable Care Act (ACA)
- 1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?
No
- 2) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities, and revenues for the current year.
Not Applicable
- 3) Roll forward of prior year ACA Risk sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance:
Not Applicable
- 4) Roll forward of risk corridors asset and liability balances by program benefit year
Not Applicable
- 5) ACA risk corridors receivable as of reporting date
Not Applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

- A. Reserves for the company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect unfavorable development totaling \$10,132,481. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the commercial auto liability, other liability, products liability, homeowners, and commercial multiple peril lines of business. The unfavorable development in these lines was partially offset by further losses in the auto physical damage, workers' compensation, and private passenger auto liability lines of business. The changes reflected in these lines were generally the result of recent development trends. Since the company did not have any retrospectively rated contracts in place during the periods reported, there were not any premium adjustments made as a result of this loss and loss adjustment expense development.
- B. There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expenses.

26. Intercompany Pooling Arrangements

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

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

As of December 31, 2017, the company reported a pooling-related balance of \$692,714 payable to Motorists Mutual Insurance Company.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

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

<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>
6,594,666	11,823,081

- B. As of December 31, 2017, there were amounts in excess of 1% of the company's surplus due for annuities from three individual life insurance companies associated with purchased annuities for which the company did not receive a release of liability from the claimant. These life insurance companies and the associated contingent liabilities are listed in the table below:

<u>Life Insurance Company and Location</u>	<u>Licensed in State of Domicile</u>	<u>Statement Value (Present Value)</u>
American International Life Insurance Company <i>New York, New York</i>	Yes	5,343,007
Genworth Life and Annuity Insurance Company <i>Richmond, Virginia</i>	Yes	2,488,971
CIGNA Retirement and Investment Company <i>Hartford, Connecticut</i>	Yes	2,014,844

28. Health Care Receivables

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

29. Participating Policies

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

30. Premium Deficiency Reserves

Details regarding the premium deficiency reserve reported by the company as of December 31, 2017, are provided below:

1) Liability carried for premium deficiency reserves	\$ 0
2) Date of the most recent evaluation of this liability	January 3, 2018
3) Was anticipated investment income utilized in the calculation?	Yes

31. High Deductibles

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

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

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

33. Asbestos/Environmental Reserves

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

	(1)	(2)	(3)	(4)	(5)
	2013	2014	2015	2016	2017
1) Direct Basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	2,341,138	2,377,948	2,260,601	2,112,218	2,068,618
b. Incurred losses and loss adjustment expenses	289,362	199,150	101,036	256,613	96,077
c. Calendar year loss and loss adj. expense payments	252,552	316,497	249,419	300,213	208,844
d. Ending Reserves (incl Case, Bulk & IBNR)	2,377,948	2,260,601	2,112,218	2,068,618	1,955,851
2) Assumed Reinsurance Basis:	(1)	(2)	(3)	(4)	(5)
	2013	2014	2015	2016	2017
a. Beginning Reserves (incl Case, Bulk & IBNR)	423,056	522,636	475,685	452,624	406,816
b. Incurred losses and loss adjustment expenses	124,498	(13,886)	(86)	2,124	251,758
c. Calendar year loss and loss adj. expense payments	24,918	33,065	22,975	47,932	48,842
d. Ending Reserves (incl Case, Bulk & IBNR)	522,636	475,685	452,624	406,816	609,732
3) Net of Ceded Reinsurance Basis:	(1)	(2)	(3)	(4)	(5)
	2013	2014	2015	2016	2017
a. Beginning Reserves (incl Case, Bulk & IBNR)	2,703,562	2,874,264	2,706,038	2,560,815	2,472,976
b. Incurred losses and loss adjustment expenses	400,279	152,780	102,433	259,780	345,296
c. Calendar year loss and loss adj. expense payments	229,577	321,006	247,656	347,619	257,432
d. Ending Reserves (incl Case, Bulk & IBNR)	2,874,264	2,706,038	2,560,815	2,472,976	2,560,840
B. The amount of ending reserves for Bulk and IBNR included in "A" (Loss and LAE):					
1) Direct Basis					1,806,463
2) Assumed Reinsurance Basis					470,652
3) Net of Ceded Reinsurance Basis					2,273,294
C. The amount of ending reserves for loss adjustment expenses included in "A" (Case, Bulk + IBNR):					
1) Direct Basis					305,736
2) Assumed Reinsurance Basis					25,836
3) Net of Ceded Reinsurance Basis					329,661

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)	(4)	(5)
	2013	2014	2015	2016	2017
1) Direct Basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	1,031,987	964,219	782,347	840,453	810,033
b. Incurred losses and loss adjustment expenses	(7,092)	(49,475)	101,804	44,414	193,388
c. Calendar year loss and loss adj. expense payments	60,676	132,397	43,698	74,834	72,555
d. Ending Reserves (incl Case, Bulk & IBNR)	964,219	782,347	840,453	810,033	930,866
2) Assumed Reinsurance Basis:	(1)	(2)	(3)	(4)	(5)
	2013	2014	2015	2016	2017
a. Beginning Reserves (incl Case, Bulk & IBNR)	75,715	86,627	94,137	56,004	54,450
b. Incurred losses and loss adjustment expenses	14,069	12,335	(19,703)	6,124	46,371
c. Calendar year loss and loss adj. expense payments	3,157	4,825	18,430	7,678	11,214
d. Ending Reserves (incl Case, Bulk & IBNR)	86,627	94,137	56,004	54,450	89,607
3) Net of Ceded Reinsurance Basis:	(1)	(2)	(3)	(4)	(5)
	2013	2014	2015	2016	2017
a. Beginning Reserves (incl Case, Bulk & IBNR)	1,087,765	1,034,507	852,209	885,102	857,452
b. Incurred losses and loss adjustment expenses	7,568	(45,533)	95,721	52,404	210,331
c. Calendar year loss and loss adj. expense payments	60,826	136,765	62,828	80,054	77,897
d. Ending Reserves (incl Case, Bulk & IBNR)	1,034,507	852,209	885,102	857,452	989,886
E. The amount of ending reserves for bulk and IBNR included in "D" (Loss and LAE):					
1) Direct Basis					770,058
2) Assumed Reinsurance Basis					57,342
3) Net of Ceded Reinsurance Basis					802,757
F. The amount of ending reserves for loss adjustment expenses included in "D" (Case, Bulk + IBNR):					
1) Direct Basis					293,324
2) Assumed Reinsurance Basis					18,536
3) Net of Ceded Reinsurance Basis					299,538

34. **Subscriber Savings Accounts**

Information concerning subscriber savings accounts is not applicable.

35. **Multiple Peril Crop Insurance**

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

36. **Financial Guaranty Insurance**

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2013

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2013

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

11/07/2014

3.4

By what department or departments?
Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [] No [] N/A [X]

4.1

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

Yes [] No [X]
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?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

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

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 41 South High Street, Columbus, Ohio 43215
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Lori A. Moore, FCAS, MAAA, Assistant Vice President, Corporate Actuary, 471 E. Broad Street, Columbus, OH 43215
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value\$
- 12.2 If, yes provide explanation:
.....
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses\$

22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
- 24.02 If no, give full and complete information relating thereto
Securities held on deposit with states.
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

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

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

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Placed under option agreements	\$	0
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27 FHLB Capital Stock	\$	0
		25.28 On deposit with states	\$	12,671,885
		25.29 On deposit with other regulatory bodies	\$	0
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

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

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

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [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
111069	Aberdeen Asset Management Inc.	5493001MWQ1SZLW4JU74	Sec	NO.....
109358	Adams Street Partners, LLC	549300GXEOBEF8KQ2C40	Sec	NO.....
127398	Chickasaw Capital Management, LLC .....	.....	Sec	NO.....
153966	Crescent Capital Group LP	549300L8Z46F3ZAWSB82	Sec	NO.....
110638	Diamond Hill Capital Management, Inc. ....	.....	Sec	NO.....
109846	HarbourVest Partners LLC	5493001MCDH7I6NIXC24	Sec	NO.....
105900	New England Asset Management	KUR85E5PS4GQFZTFC130	Sec	NO.....
105780	Northern Trust Investments, Inc.	BEL4B8X7EHJU845Y2N39	Sec	NO.....
115443	Park Street Capital private Equity Fund VIII, LLC .....	.....	Sec	NO.....
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?..... Yes [X] No []

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
00769G-53-5	LSV Small Cap Value Fund	3,170,780
04314H-75-8	Artisan Small Cap Fund 1	2,456,889
04314H-85-7	Artisan Intl Val Fund 1	16,417,578
78467Y-10-7	SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	827,257
04314H-66-7	Artisan Intl Val ADV	5,865,885
29.2999 - Total		28,738,388

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
LSV Small Cap Value Fund	Dana Inc	39,001	12/31/2017 ...
LSV Small Cap Value Fund	BankUnited Inc	36,147	12/31/2017 ...
LSV Small Cap Value Fund	CNO Financial Group Inc	35,513	12/31/2017 ...
LSV Small Cap Value Fund	Skyllwest Inc	34,244	12/31/2017 ...
LSV Small Cap Value Fund	Magellan Health Inc	32,342	12/31/2017 ...
Artisan Small Cap Fund 1	Teledyne Technologies Inc	95,819	12/31/2017 ...
Artisan Small Cap Fund 1	BLX Technologies Inc	83,043	12/31/2017 ...
Artisan Small Cap Fund 1	John Bean Technologies Corp	83,043	12/31/2017 ...
Artisan Small Cap Fund 1	Guidewire Software Inc	77,392	12/31/2017 ...
Artisan Small Cap Fund 1	Proofpoint Inc	74,689	12/31/2017 ...
Artisan Intl Val Fund 1	Samsung Electronics Co Ltd	856,998	03/31/2017 ...
Artisan Intl Val Fund 1	UBS Group AG	753,567	03/31/2017 ...
Artisan Intl Val Fund 1	Arch Capital Group Ltd	745,358	03/31/2017 ...
Artisan Intl Val Fund 1	Compass Group PLC ORD	699,389	03/31/2017 ...
Artisan Intl Val Fund 1	Baidu Inc ADR	658,345	03/31/2017 ...
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	Take-Two Interactive Software Inc	5,791	12/31/2017 ...
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	SVB Financial Group	5,708	12/31/2017 ...
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	NVR Inc	5,708	12/31/2017 ...
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	MSCI Inc	5,294	12/31/2017 ...
SPDR S&P MidCap 400 ETF Tr Exc Traded Fund	Teleflex Inc	5,212	12/31/2017 ...
Artisan Intl Val ADV	Samsung Electronics Co Ltd	295,641	12/31/2017 ...
Artisan Intl Val ADV	UBS Group AG	281,562	12/31/2017 ...
Artisan Intl Val ADV	ING Groep NV	247,540	12/31/2017 ...
Artisan Intl Val ADV	Compass Group PLC	238,742	12/31/2017 ...
Artisan Intl Val ADV	Baidu Inc ADR	237,568	12/31/2017 ...
.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	168,081,423	172,929,610	4,848,186
30.2 Preferred stocks			
30.3 Totals	168,081,423	172,929,610	4,848,186

30.4 Describe the sources or methods utilized in determining the fair values:
Fair market values are obtained using an external pricing service, BNY Mellon; or using an external investment service, S&P.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements of each self-designated 5*GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities? Yes [] No [X]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$557,788

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

1 Name	2 Amount Paid
Insurance Services Office Inc.	454,247
.....

35.1 Amount of payments for legal expenses, if any?\$12,331

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

1 Name	2 Amount Paid
Rotzel & Andress, LPA	10,769
.....

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

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

1 Name	2 Amount Paid
.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

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

Yes [X] No []

1.2

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

\$ 611

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.

\$ (2,851)

1.6

Individual policies:

Most current three years:

1.61 Total premium earned \$

1.62 Total incurred claims \$

1.63 Number of covered lives

All years prior to most current three years

1.64 Total premium earned \$611

1.65 Total incurred claims \$(2,851)

1.66 Number of covered lives1

1.7

Group policies:

Most current three years:

1.71 Total premium earned \$

1.72 Total incurred claims \$

1.73 Number of covered lives

All years prior to most current three years

1.74 Total premium earned \$

1.75 Total incurred claims \$

1.76 Number of covered lives

2.

Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator102109

2.2 Premium Denominator133,618,711132,582,843

2.3 Premium Ratio (2.1/2.2)0.0000.000

2.4 Reserve Numerator(396)170

2.5 Reserve Denominator181,509,089166,824,274

2.6 Reserve Ratio (2.4/2.5)0.0000.000

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [] No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$

3.22 Non-participating policies \$

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1 Does the reporting entity issue assessable policies?

Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies?

Yes [X] No []

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

%

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$ 0

5.

For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents?

Yes [] No []

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A []

5.22 As a direct expense of the exchange.....

Yes [] No [] N/A []

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information
.....

16

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The company is a member of the Minnesota Workers' Compensation Reinsurance Association. In addition, the company has excess of loss reinsurance to protect itself.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
Profiling and probable maximum loss (PML) analysis on the exposures of The Motorists Insurance Group is performed by JLT Re using the Risk Management Solutions (RMS) RiskLink and AIR Touchstone catastrophe models. Analysis is performed for the perils of hurricane, severe convective storm, winterstorm, and earthquake. The PML driver on low return periods (~20 years) is severe convective storm. Starting around the 150 year return period, hurricane becomes the largest driver of the PML. The highest concentration of exposure (total insured value) is in Ohio. Ohio also has the highest gross average annual loss (Gross AAL). 8 of the top 10 counties for exposure are in Ohio. The other two counties are in Kentucky and Pennsylvania. 6 of the top 10 counties for Gross AAL are in Ohio. The other counties are in Nebraska, Kentucky, Minnesota, and Iowa. The Motorists Insurance Group utilizes JLT Re's CATography tool to analyze and manage catastrophe risk. Catastrophe excess of loss reinsurance is purchased to protect against excessive loss.

6.3

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

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [X] No []

6.5

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

7.1

Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?

Yes [X] No []

7.2

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

1

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [X] No []

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes [] No [X]

8.2

If yes, give full information

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes [] No [X]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [] No [X]

9.3

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

9.4

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

Yes [] No [X]

9.5

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

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [] No [X]
Yes [] No [X]
Yes [] No [X]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

12.1If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11Unpaid losses\$

12.12Unpaid underwriting expenses (including loss adjustment expenses)\$

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

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

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

12.41From%

12.42To.....%

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

12.6If yes, state the amount thereof at December 31 of the current year:

12.61Letters of credit\$

12.62Collateral and other funds.....\$

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

13.2Does 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]

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

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

14.2If yes, please describe the method of allocating and recording reinsurance among the cedants:
.....

14.3If 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]

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

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

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

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

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

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

* Disclose type of coverage:

.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5?

Yes ☒ No ☐

Included but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

\$570,883

17.12

Unfunded portion of Interrogatory 17.11

\$58,710

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

\$570,883

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 - P art 3 and excluded from Schedule F - Part 5, not included above.

17.18

Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

\$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 ☒

18.2

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

\$

18.3

Do you act as an administrator for health savings accounts?

Yes ☐ No ☒

18.4

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

\$

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2017	2 2016	3 2015	4 2014	5 2013
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)	87,386,012	83,144,205	83,810,020	83,672,780	75,846,893
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	38,799,703	37,033,818	37,943,580	40,765,482	35,623,067
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	46,615,532	44,134,857	45,987,024	47,187,939	46,113,115
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	215,073	209,920	197,610	185,340	195,134
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,345,435	1,408,114	1,369,231	1,582,844	2,013,676
6. Total (Line 35)	174,361,755	165,930,915	169,307,465	173,394,384	159,791,884
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)	65,837,230	64,694,944	63,976,285	63,867,036	57,465,791
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	29,669,573	28,745,386	29,015,894	31,691,280	27,478,289
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	36,546,680	37,096,828	38,179,174	39,618,471	38,823,727
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	214,522	209,095	195,071	182,702	171,694
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,345,435	1,408,114	1,369,231	1,582,844	2,013,676
12. Total (Line 35)	133,613,440	132,154,367	132,735,655	136,942,334	125,953,177
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(34,547,537)	(3,122,132)	(2,335,045)	(1,402,183)	(3,934,050)
14. Net investment gain or (loss) (Line 11)	9,032,761	7,860,970	5,161,283	9,598,982	12,111,011
15. Total other income (Line 15)	570,290	571,255	1,052,103	1,215,198	636,507
16. Dividends to policyholders (Line 17)	745,616	622,789	727,277	954,479	1,526,317
17. Federal and foreign income taxes incurred (Line 19)	(3,264,964)	128,269	(122,963)	143,348	(1,721,653)
18. Net income (Line 20)	(22,425,138)	4,559,034	3,274,027	8,314,169	9,008,804
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	368,813,179	354,653,646	347,628,625	342,864,353	336,894,974
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	9,370,455	11,117,502	10,516,201	10,899,275	10,293,012
20.2 Deferred and not yet due (Line 15.2)	19,336,010	14,097,439	15,399,652	15,751,768	14,323,035
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	221,338,947	197,965,789	197,534,005	196,630,707	195,978,427
22. Losses (Page 3, Line 1)	91,369,559	78,060,801	77,304,649	75,472,111	77,495,336
23. Loss adjustment expenses (Page 3, Line 3)	22,898,014	19,522,938	19,072,366	18,840,608	20,246,342
24. Unearned premiums (Page 3, Line 9)	60,322,981	60,328,252	60,756,728	61,557,973	56,840,292
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	147,474,232	156,687,857	150,094,619	146,233,647	140,916,547
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(11,004,195)	4,977,216	5,297,840	7,326,307	5,925,885
Risk-Based Capital Analysis					
28. Total adjusted capital	149,263,842	158,434,433	151,849,227	148,452,838	142,885,065
29. Authorized control level risk-based capital	21,399,666	18,014,341	17,542,134	18,339,833	17,728,433
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	59.3	65.7	66.8	66.7	66.0
31. Stocks (Lines 2.1 & 2.2)	28.0	21.3	21.4	22.6	23.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.2				
34. Cash, cash equivalents and short-term investments (Line 5)	1.3	3.2	2.4	2.3	1.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	9.2	9.7	9.4	8.4	9.0
38. Receivables for securities (Line 9)	0.0	0.2	0.0	0.0	0.1
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	20,672,804	18,792,837	18,634,685	17,004,905	16,442,468
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	20,672,804	18,792,837	18,634,685	17,004,905	16,442,468
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)	14.0	12.0	12.4	11.6	11.7

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	7,777,041	2,453,136	731,910	(2,204,485)	4,376,969
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(9,213,625)	6,593,238	3,860,973	5,317,099	12,333,681
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)	47,373,271	45,748,592	42,684,411	50,253,836	48,135,507
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	20,232,647	18,678,255	20,623,449	23,196,643	16,925,364
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	25,573,417	22,316,450	25,004,865	26,112,460	31,073,862
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	47,313	212,766	32,109	39,689	60,098
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	1,070,055	1,432,977	1,268,306	1,090,401	1,451,725
59. Total (Line 35)	94,296,703	88,389,040	89,613,139	100,693,029	97,646,557
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)	34,408,474	33,692,245	30,303,683	30,912,780	29,566,213
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	16,566,882	15,079,288	16,016,834	18,075,113	14,141,380
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	23,309,510	18,748,804	20,111,965	21,643,032	22,198,303
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	48,773	129,457	31,420	33,232	45,919
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	942,280	1,156,253	767,499	1,045,832	1,378,489
65. Total (Line 35)	75,275,918	68,806,047	67,231,402	71,709,988	67,330,304
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	66.3	52.5	51.7	52.7	53.9
68. Loss expenses incurred (Line 3)	17.2	11.6	12.7	11.3	13.0
69. Other underwriting expenses incurred (Line 4)	42.4	38.2	37.3	37.1	36.4
70. Net underwriting gain (loss) (Line 8)	(25.9)	(2.4)	(1.7)	(1.1)	(3.2)
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)	42.0	37.9	36.7	34.9	34.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	83.5	64.1	64.4	64.0	66.8
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)	90.6	84.3	88.4	93.6	89.4
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)	7,564	(978)	(3,771)	(4,087)	(1,324)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0).....	4.8	(0.7)	(2.6)	(2.9)	(1.0)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	3,019	(2,491)	(6,710)	(3,296)	(2,406)
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)	2.0	(1.7)	(4.8)	(2.6)	(2.0)

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

If no, please explain:

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

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	XXX	XXX	XXX	1,564	812	292	13	121	4	41	1,149	XXX
2. 2008.....	134,141	5,873	128,268	87,627	10,071	5,547	57	11,861	71	3,313	94,835	XXX
3. 2009.....	136,782	5,611	131,171	82,927	4,190	5,437	311	10,765	45	3,247	94,583	XXX
4. 2010.....	139,711	5,305	134,406	81,251	2,030	4,705	62	11,582	6	3,718	95,439	XXX
5. 2011.....	134,070	5,867	128,203	92,146	7,242	4,112	54	12,406	83	3,706	101,286	XXX
6. 2012.....	131,931	6,551	125,380	74,643	2,937	3,720	18	12,076	37	3,286	87,447	XXX
7. 2013.....	135,913	6,360	129,553	68,752	2,199	3,100	20	12,097	4	3,365	81,727	XXX
8. 2014.....	139,833	7,609	132,225	70,720	885	2,653	0	12,241	1	3,529	84,728	XXX
9. 2015.....	140,868	7,331	133,537	66,741	3,606	2,460	12	12,131	19	3,218	77,694	XXX
10. 2016.....	139,271	6,688	132,583	54,521	467	1,494	0	11,459	1	2,815	67,007	XXX
11. 2017.....	138,313	4,694	133,619	44,657	605	1,047		9,012	4	1,474	54,107	XXX
12. Totals	XXX	XXX	XXX	725,549	35,044	34,568	547	115,751	275	31,712	840,002	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior.....	10,545	6,359	4,941	205	0		1,325	6	768	0		11,008	XXX
2. 2008.....	269	2	255	31	3		98		107			699	XXX
3. 2009.....	296	0	381	8			85		58			812	XXX
4. 2010.....	486		343	21			155		81			1,044	XXX
5. 2011.....	1,426	300	487	27	2		196	0	113	0		1,897	XXX
6. 2012.....	1,623		715	13	11		331		221			2,888	XXX
7. 2013.....	2,388	121	1,164	34	50		486	1	352	0		4,284	XXX
8. 2014.....	3,889	898	1,867	313	22		1,042	206	548	565		5,387	XXX
9. 2015.....	6,128	56	3,986	167	33		2,129		1,109			13,162	XXX
10. 2016.....	13,174	394	7,996	300	20		3,152		2,139			25,788	XXX
11. 2017.....	23,443	1,935	17,306	554	4		4,215		4,821			47,300	XXX
12. Totals	63,666	10,064	39,441	1,673	145		13,214	213	10,317	565		114,268	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	8,922	2,086
2. 2008.....	105,766	10,232	95,534	78.8	174.2	74.5			18.5	491	208
3. 2009.....	99,949	4,554	95,395	73.1	81.2	72.7			18.5	669	143
4. 2010.....	98,603	2,120	96,483	70.6	40.0	71.8			18.5	808	236
5. 2011.....	110,888	7,705	103,183	82.7	131.3	80.5			18.5	1,586	311
6. 2012.....	93,340	3,005	90,335	70.7	45.9	72.0			18.5	2,325	563
7. 2013.....	88,389	2,379	86,010	65.0	37.4	66.4			18.5	3,397	887
8. 2014.....	92,983	2,868	90,115	66.5	37.7	68.2			18.5	4,545	842
9. 2015.....	94,716	3,860	90,856	67.2	52.7	68.0			18.5	9,891	3,271
10. 2016.....	93,956	1,162	92,794	67.5	17.4	70.0			18.5	20,475	5,312
11. 2017.....	104,505	3,098	101,407	75.6	66.0	75.9			18.5	38,260	9,039
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	91,370	22,898

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 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017	11 One Year	12 Two Year
1. Prior.....	57,601	56,372	55,394	55,465	55,515	56,052	55,882	55,523	55,409	55,573	164	49
2. 2008.....	85,897	85,957	85,097	84,425	84,395	84,154	84,090	83,994	83,850	83,638	(212)	(356)
3. 2009.....	XXX	86,788	86,058	83,977	84,753	84,610	85,019	85,121	84,892	84,618	(275)	(503)
4. 2010.....	XXX	XXX	89,776	87,879	86,826	86,890	85,869	85,302	84,963	84,826	(136)	(476)
5. 2011.....	XXX	XXX	XXX	93,097	91,725	91,239	91,044	90,682	90,856	90,746	(109)	65
6. 2012.....	XXX	XXX	XXX	XXX	79,649	78,371	77,664	77,284	77,716	78,075	359	791
7. 2013.....	XXX	XXX	XXX	XXX	XXX	75,864	73,524	72,563	72,977	73,566	589	1,002
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	76,855	75,707	76,794	77,891	1,097	2,185
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	77,374	75,116	77,635	2,519	261
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	75,628	79,197	3,568	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	87,578	XXX	XXX
12. Totals											7,564	3,019

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	2	3	4	5	6	7	8	9	10		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
1. Prior.....	000	17,009	27,795	34,291	38,323	40,537	42,468	43,399	44,301	45,333	XXX	XXX
2. 2008.....	48,041	64,625	72,387	77,395	80,442	81,904	82,590	82,821	82,944	83,046	XXX	XXX
3. 2009.....	XXX	49,613	64,660	70,912	77,473	80,577	82,324	83,294	83,669	83,864	XXX	XXX
4. 2010.....	XXX	XXX	49,163	65,870	72,896	78,219	80,720	82,021	83,141	83,864	XXX	XXX
5. 2011.....	XXX	XXX	XXX	56,514	73,237	79,586	84,113	86,311	88,101	88,962	XXX	XXX
6. 2012.....	XXX	XXX	XXX	XXX	44,828	60,413	67,311	70,910	73,995	75,408	XXX	XXX
7. 2013.....	XXX	XXX	XXX	XXX	XXX	42,671	56,316	62,440	67,100	69,634	XXX	XXX
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	46,974	61,295	67,515	72,488	XXX	XXX
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	42,001	57,404	65,582	XXX	XXX
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39,802	55,548	XXX	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	45,099	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	2	3	4	5	6	7	8	9	10
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Prior.....	30,578	20,588	14,851	11,817	10,381	8,568	7,876	7,261	6,599	6,054
2. 2008.....	19,509	11,835	6,159	3,349	1,927	1,098	745	614	452	322
3. 2009.....	XXX	20,203	12,311	6,041	3,665	1,749	1,120	884	684	458
4. 2010.....	XXX	XXX	22,051	11,574	6,076	3,476	2,095	1,265	842	477
5. 2011.....	XXX	XXX	XXX	19,224	9,817	5,252	2,881	1,727	1,069	656
6. 2012.....	XXX	XXX	XXX	XXX	17,258	9,137	4,990	2,878	1,512	1,034
7. 2013.....	XXX	XXX	XXX	XXX	XXX	17,150	8,426	4,445	2,511	1,615
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	15,236	7,420	3,944	2,390
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,467	9,181	5,948
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,797	10,848
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,967

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama	AL	N			12,101	(211,818)	358,125		
2. Alaska	AK	N	1		(78)	93	380		
3. Arizona	AZ	L			(4,052)	(38,161)	29,519		
4. Arkansas	AR	N							
5. California	CA	L			416,248	(167,605)	2,110,634		
6. Colorado	CO	L	(2,843)	(1,203)	3,306	(48,528)	125,990		
7. Connecticut	CT	L			736,276	(293,881)	347,477		
8. Delaware	DE	L			1,189	5,102	1,318,674		
9. District of Columbia	DC	L							
10. Florida	FL	N			121,949	270,359	551,948		
11. Georgia	GA	L				2,243	115,014		
12. Hawaii	HI	N							
13. Idaho	ID	L	315	315	(2,535)	(23,682)	27,823		
14. Illinois	IL	L	3,715,330	3,158,080	106,863	1,638,844	1,765,501	6,456,513	790
15. Indiana	IN	L	610,640	620,880	8,959	209,436	577,684	1,861,999	115
16. Iowa	IA	L	2,915,656	3,026,199		2,101,135	1,540,680	1,414,435	750
17. Kansas	KS	L	1,436	1,526			220	677	
18. Kentucky	KY	L	805,584	876,672		124,941	4,716	621,610	380
19. Louisiana	LA	N	550	611		47,208	21,888	481,944	
20. Maine	ME	L	1,775,765	1,697,554		693,113	930,186	1,504,249	120
21. Maryland	MD	L	3,277	3,901		(1,757)	(9,508)	22,689	
22. Massachusetts	MA	L	4,478,769	4,490,556		1,613,673	1,122,383	2,182,560	4,915
23. Michigan	MI	L	7,032,597	3,999,805	25,999	1,183,491	2,379,055	2,983,756	4,135
24. Minnesota	MN	L	1,189,527	1,241,541	13,492	402,604	261,515	4,139,908	630
25. Mississippi	MS	N					26	26	
26. Missouri	MO	L	1,882	7,751			3,631	13,893	
27. Montana	MT	N				96,190	124,654	123,421	
28. Nebraska	NE	L	1,386,852	1,497,038		922,043	1,583,882	1,604,784	
29. Nevada	NV	L				(3,559)	(21,508)	26,280	
30. New Hampshire	NH	L	1,602,213	2,023,193	9,708	632,629	8,297,254	9,961,199	1,125
31. New Jersey	NJ	L				477,698	496,222	1,449,478	
32. New Mexico	NM	L					(190)	371	
33. New York	NY	L	6,838	7,175		265,848	(254,013)	3,100,744	
34. North Carolina	NC	L	7,652	7,229			1,087	3,421	
35. North Dakota	ND	L					(192)	132	
36. Ohio	OH	L	2,476,209	2,667,196		1,202,206	1,084,193	2,148,722	1,300
37. Oklahoma	OK	L					(97)	29	
38. Oregon	OR	L				389,046	1,521,372	2,367,741	
39. Pennsylvania	PA	L	1,281,652	1,282,502	1,378	1,946,369	2,748,374	3,266,479	560
40. Rhode Island	RI	L	300,300	331,532		185,355	407,558	480,584	445
41. South Carolina	SC	L	1,632,835	445,374		28,195	173,304	323,813	960
42. South Dakota	SD	L	21,106	25,612		32,392	35,154	331,475	
43. Tennessee	TN	L	1,573,887	458,323		53,628	193,490	147,725	1,700
44. Texas	TX	L	22,955	22,955		93,856	47,160	5,151,994	
45. Utah	UT	L		28			(1,280)	6,660	
46. Vermont	VT	L	809,311	808,969		86,035	408,903	616,455	60
47. Virginia	VA	L	3,571	3,711		35,356	(3,328)	504,696	40
48. Washington	WA	L	361	361		198,459	(210,552)	775,897	
49. West Virginia	WV	L	21,118	61,809		7,896	(84,901)	49,511	45
50. Wisconsin	WI	L	6,242,408	4,338,846		2,151,064	2,426,613	4,600,326	1,215
51. Wyoming	WY	L					(3)	10	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	XXX							
59. Totals	(a)	43	39,917,755	33,106,042	166,399	18,097,800	27,065,254	63,711,789	19,285
DETAILS OF WRITE-INS									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX							
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX							

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile - see DSLI); (D) DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

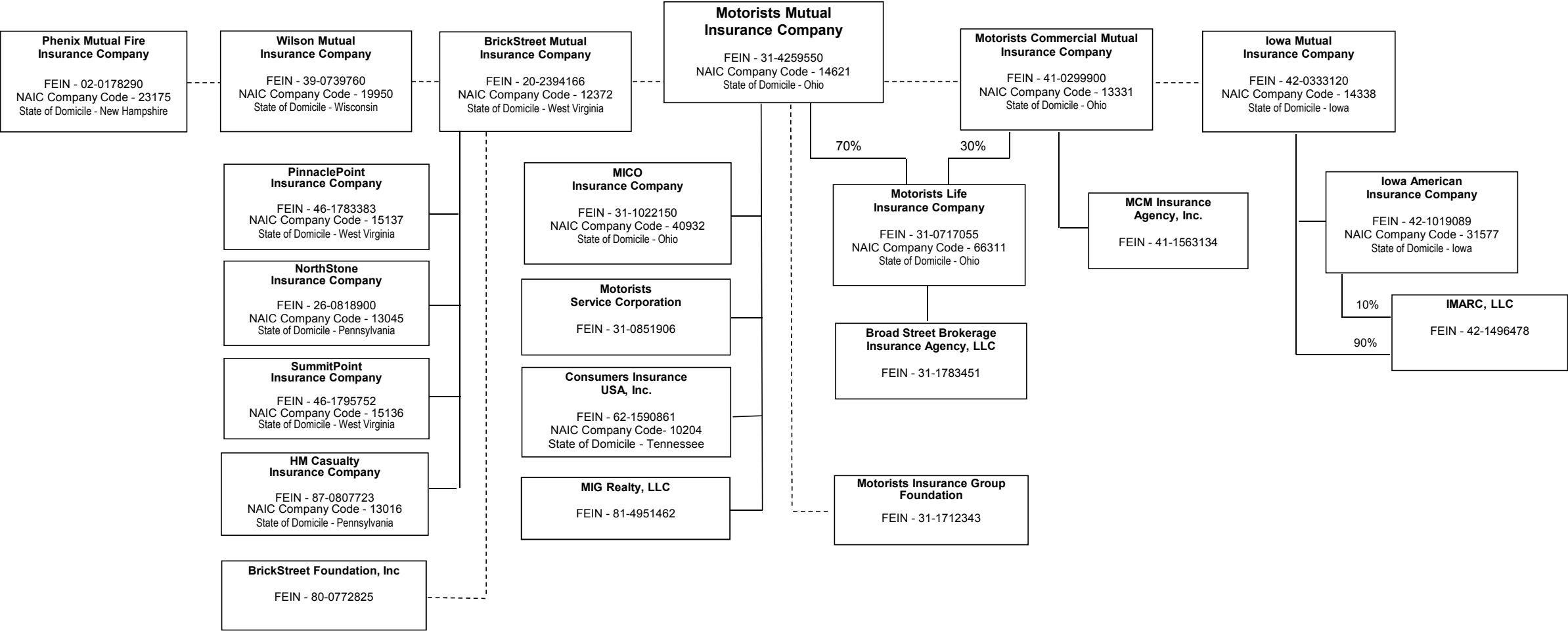
Explanation of basis of allocation of premiums by states, etc.

Premiums are assigned to state based on the following methods: 1) the location of the risk for lines 1, 2, 4, 5, 9, 12, 16, 26, and 27 2) the billing address for line 15 3) the location of the insured's operation for lines 17 and 18 4) the principal garaging location for lines 19 and 21 5) the location of the employer for line 23 6) the location of the obligee for line 24

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

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



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Automobiles	25,769	25,769		
2505. Assessments paid in advance	9,566	9,566		
2506. Employee advances	5,382	5,382		
2507. Miscellaneous receivables	276	276		
2597. Summary of remaining write-ins for Line 25 from overflow page	40,992	40,992		

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Obligations in pools and associations	46,118	65,159
2505. State surcharges payable	25,301	23,399
2506. Miscellaneous liabilities	13,094	17,273
2507. Tenant allowances payable	4,259	
2508. Low income housing obligations		6,195
2597. Summary of remaining write-ins for Line 25 from overflow page	88,772	112,026

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

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Donations and contributions		193,240		193,240
2405. Reinsurance assumed overhead		177,404		177,404
2406. Data services	49,191	111,577	1,024	161,793
2407. Policy administration / servicing fees		1,986		1,986
2497. Summary of remaining write-ins for Line 24 from overflow page	49,191	484,208	1,024	534,423

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Employee advances	5,382	3,634	(1,748)
2505. Miscellaneous receivables	276	4,186	3,910
2506. Prepaid pension		27,635,324	27,635,324
2507. Miscellaneous Cash Receipts		27,354	27,354
2597. Summary of remaining write-ins for Line 25 from overflow page	5,657	27,670,497	27,664,840

ANNUAL STATEMENT BLANK

ALPHABETICAL INDEX

Assets	2
Cash Flow	5
Exhibit of Capital Gains (Losses)	12
Exhibit of Net Investment Income	12
Exhibit of Nonadmitted Assets	13
Exhibit of Premiums and Losses (State Page)	19
Five-Year Historical Data	17
General Interrogatories	15
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Notes To Financial Statements	14
Overflow Page For Write-ins	100
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Verification	SI14
Schedule DL - Part 1	E24
Schedule DL - Part 2	E25
Schedule E - Part 1 - Cash	E26
Schedule E - Part 2 - Cash Equivalents	E27
Schedule E - Part 3 - Special Deposits	E28
Schedule E - Verification Between Years	SI15
Schedule F - Part 1	20
Schedule F - Part 2	21
Schedule F - Part 3	22
Schedule F - Part 4	23
Schedule F - Part 5	24
Schedule F - Part 6 - Section 1	25
Schedule F - Part 6 - Section 2	26
Schedule F - Part 7	27
Schedule F - Part 8	28
Schedule F - Part 9	29

ANNUAL STATEMENT BLANK (Continued)

Schedule H - Accident and Health Exhibit - Part 1	30
Schedule H - Part 2, Part 3 and 4	31
Schedule H - Part 5 - Health Claims	32
Schedule P - Part 1 - Summary	33
Schedule P - Part 1A - Homeowners/Farmowners	35
Schedule P - Part 1B - Private Passenger Auto Liability/Medical	36
Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical	37
Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation)	38
Schedule P - Part 1E - Commercial Multiple Peril	39
Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence	40
Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made	41
Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery)	42
Schedule P - Part 1H - Section 1 - Other Liability - Occurrence	43
Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made	44
Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45
Schedule P - Part 1J - Auto Physical Damage	46
Schedule P - Part 1K - Fidelity/Surety	47
Schedule P - Part 1L - Other (Including Credit, Accident and Health)	48
Schedule P - Part 1M - International	49
Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property	50
Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability	51
Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule P - Part 1R - Section 1 - Products Liability - Occurrence	53
Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made	54
Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty	55
Schedule P - Part 1T - Warranty	56
Schedule P - Part 2, Part 3 and Part 4 - Summary	34
Schedule P - Part 2A - Homeowners/Farmowners	57
Schedule P - Part 2B - Private Passenger Auto Liability/Medical	57
Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical	57
Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation)	57
Schedule P - Part 2E - Commercial Multiple Peril	57
Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence	58
Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made	58
Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	58
Schedule P - Part 2H - Section 1 - Other Liability - Occurrence	58
Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made	58
Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59
Schedule P - Part 2J - Auto Physical Damage	59
Schedule P - Part 2K - Fidelity, Surety	59
Schedule P - Part 2L - Other (Including Credit, Accident and Health)	59
Schedule P - Part 2M - International	59
Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property	60
Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability	60
Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines	60
Schedule P - Part 2R - Section 1 - Products Liability - Occurrence	61
Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made	61
Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty	61
Schedule P - Part 2T - Warranty	61
Schedule P - Part 3A - Homeowners/Farmowners	62
Schedule P - Part 3B - Private Passenger Auto Liability/Medical	62
Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical	62
Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation)	62
Schedule P - Part 3E - Commercial Multiple Peril	62
Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence	63
Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made	63
Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63
Schedule P - Part 3H - Section 1 - Other Liability - Occurrence	63
Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made	63
Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64
Schedule P - Part 3J - Auto Physical Damage	64
Schedule P - Part 3K - Fidelity/Surety	64
Schedule P - Part 3L - Other (Including Credit, Accident and Health)	64
Schedule P - Part 3M - International	64
Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property	65
Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability	65
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines	65
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence	66
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made	66
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty	66
Schedule P - Part 3T - Warranty	66

ANNUAL STATEMENT BLANK (Continued)

Schedule P - Part 4A - Homeowners/Farmowners	67
Schedule P - Part 4B - Private Passenger Auto Liability/Medical	67
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical	67
Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation)	67
Schedule P - Part 4E - Commercial Multiple Peril	67
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence	68
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made	68
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence	68
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made	68
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	69
Schedule P - Part 4J - Auto Physical Damage	69
Schedule P - Part 4K - Fidelity/Surety	69
Schedule P - Part 4L - Other (Including Credit, Accident and Health)	69
Schedule P - Part 4M - International	69
Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property	70
Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability	70
Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence	71
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made	71
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty	71
Schedule P - Part 4T - Warranty	71
Schedule P - Part 5A - Homeowners/Farmowners	72
Schedule P - Part 5B - Private Passenger Auto Liability/Medical	73
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical	74
Schedule P - Part 5D - Workers' Compensation (Excluding Excess Workers' Compensation)	75
Schedule P - Part 5E - Commercial Multiple Peril	76
Schedule P - Part 5F - Medical Professional Liability - Claims-Made	78
Schedule P - Part 5F - Medical Professional Liability - Occurrence	77
Schedule P - Part 5H - Other Liability - Claims-Made	80
Schedule P - Part 5H - Other Liability - Occurrence	79
Schedule P - Part 5R - Products Liability - Claims-Made	82
Schedule P - Part 5R - Products Liability - Occurrence	81
Schedule P - Part 5T - Warranty	83
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical	84
Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation)	84
Schedule P - Part 6E - Commercial Multiple Peril	85
Schedule P - Part 6H - Other Liability - Claims-Made	86
Schedule P - Part 6H - Other Liability - Occurrence	85
Schedule P - Part 6M - International	86
Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property	87
Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability	87
Schedule P - Part 6R - Products Liability - Claims-Made	88
Schedule P - Part 6R - Products Liability - Occurrence	88
Schedule P - Part 7A - Primary Loss Sensitive Contracts	89
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts	91
Schedule P Interrogatories	93
Schedule T - Exhibit of Premiums Written	94
Schedule T - Part 2 - Interstate Compact	95
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	98
Statement of Income	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	99
Underwriting and Investment Exhibit Part 1	6
Underwriting and Investment Exhibit Part 1A	7
Underwriting and Investment Exhibit Part 1B	8
Underwriting and Investment Exhibit Part 2	9
Underwriting and Investment Exhibit Part 2A	10
Underwriting and Investment Exhibit Part 3	11