

March 25, 2019

NAIC Financial Reporting & Analysis Data Validation Notification

Thomas Happensack
Safe Auto Ins Co
4 Easton Oval
Columbus, OH 43219

Re: NAIC Cocode: 25405 Group Code: 4940
2018 Annual Statement filing

The second (and subsequent) pages of this notice detail discrepancies in the above filing. We request that you review each category very closely and provide the appropriate response within ten working days from receipt of this letter. Please also follow the instructions on the checklist below.

Provide the following with every response.

- Company code
- Company name
- Current contact name and phone number, if contact has changed
- Date of NAIC letter
- Name of NAIC contact on the letter
- Address every failure, unless the letter states that no correction or response is needed for a specified failure

Provide the following with Annual Statement corrections.

- Jurat Page
- Electronic amended Annual Statement filing via the NAIC internet filing site including all applicable PDF files
- Completed Amended Explanation Page

Provide the following with RBC corrections.

- Electronic complete amended RBC filing via the NAIC internet filing site
- Electronic Annual Statement Five-year Historical Data page

You may receive future correspondence if additional discrepancies require your assistance. Forward all of the above to your state of domicile and to the NAIC contact below at the following address.

Calvin Ferguson
Senior Insurance Reporting Analyst
NAIC - Financial Regulatory Services
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197
cferguson@naic.org
Phone: (816) 783-8424

cc: Financial Regulator(s) of the State of OH

Thank you for your timely response and assistance with this matter.

ITEMS REQUIRING ACTION:

Notes to Financial Statement:

Note 9 The PDF version of the Notes to Financial Statement does not match the Electronic Notes (s.txt file).

For 9A(1)f and 9A(1)g, the “Capital” and “Total” Columns for 2017 and Change entries do not match the PDF. See screen print of data received below.

09A01F	Deferred tax liabilities	3,955,249	2,612,997	6,568,246	3,595,251	2,340,425	5,935,676	359,998	272,572	632,570
09A01G	Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	6,989,908	-2,400,107	4,589,801	5,988,862	-2,127,529	3,861,333	1,001,046	-272,578	728,468

For 9C(3)b3, 9C(3)b99, 9C(3)c and 9C(4), the “2017” and “Change” Columns entries do not match the PDF. See screen print of data received below.

09C3B3	Other (including items less than 5 percent of total capital tax liabilities) (capital) (deferred tax liabilities)								2,612,997	2,340,425	272,572
09C3B99	Subtotal (capital) (deferred tax liabilities)								2,612,997	2,340,425	272,572
09C3C	Deferred tax liabilities (3A99 + 3B99)								6,568,246	5,935,676	632,570
09C4	Net deferred tax assets/liabilities (21 - 3C)								4,589,801	3,861,333	728,468

Note 20 The PDF version of the Notes to Financial Statement does not match the Electronic Notes (s.txt file).

For 20A(2)a the Ending Balance Column for the “Foreign Governments” and “Total Assets” entries do not match the PDF. See screen print of data received below.

20A2A01	Bond	0	0	0	0	0	0	0	0	0	0
20A2A02	Foreign Governments	700,000	0	0	0	0	0	700,000	0	1,400,000	
20A2A03	Other ABS	536,784	0	0	0	-2,148	0	0	0	0	534,636
20A2A99	Total assets (FV measurement in Level 3 of the FV hierarchy)	1,236,784	0	0	0	-2,148	0	0	700,000	0	1,934,636
Total											

Note 24 For the note there is a disclosure, 24F, regarding the ACA. There is a specific question, 24F(1), that should be provided with a Yes or No answer to indicate where the user should expect amounts for 24F(2) through 24F(5). If a company answers No then “None” can be indicated for 24F(2) through 24F(5) and the tables illustrated do not need to be provided. If the answer is Yes then the tables for 24F(2) through 24F(5) are expected to be provided even if the amounts are zero for all lines.

ITEMS FOR YOUR INFORMATION:

DATA VALIDATION FAILURES NOTED:

The following data validations failed but do not require a response for this filing. The NAIC analyst either noted a valid explanation for the failure or considered the issue immaterial to the filing (note, the item could be material in a future filing). Please review these items and attempt to resolve the discrepancies for future filings.

- 1. Rule Name: PXASU900138 Description:** (NAIC crosscheck) Schedule DB, Part A, Verification Between Years, Column 2, Line 1 did not equal to Prior Year Schedule DB, Part A, Verification Between Years, Column 2, Line 9
0 - -68135 = 68135

The 2019 Course Schedule of educational courses and opportunities including Accounting and Reporting Issues, Annual Statement Preparation, Basic Reinsurance, Annual Statement Investment Schedules and many other courses is available at: http://www.naic.org/education_schedule.htm

A change was made to the electronic footnotes - Note 9

9C(3)b3 for 2017. The amount was changed from 2,340,425 to 2,639,787. This change was made because the software did not properly roll forward the prior year electronic data into the footnote. This change impacted changes in the following lines as stated below:

Line#	Line Description	After				Before			
		2017		Change		2017		Change	
		Capital	Total (Col 4+5)	Capital	Total (Col 4+5)	Capital	Total (Col 4+5)	Capital	Total (Col 4+5)
9.A.(1)(f)	Deferred tax liabilities	2,639,787	6,235,038	(26,790)	333,208	2,340,425	5,935,676	272,572	632,570
9.A.(1)(g)	Net admitted deferred tax asset/(net deferred tax liability)	(2,426,891)	3,561,971	26,784	1,027,830	(2,127,529)	3,861,333	(272,578)	728,468
		Prior	Change				Prior	Change	
9C3b3	Other (including items for both <=5% and >=5% of total capital tax liabilities (items >5% listed separately))	2,639,787	(26,790)				2,340,425	272,572	
9C3b99	Subtotal	2,639,787	(26,790)				2,340,425	272,572	
9C3c	Deferred tax liabilities (3a99 + 3b99)	6,235,038	333,208				5,935,676	632,570	
9C4	Net deferred tax assets/liabilities (2i - 3c)	3,561,971	1,027,830				3,861,333	728,468	

9.A.2.b.2 footnote was updated. An error was found in the calculation. The amount previously reported was based on 2017 Surplus amount instead of 2018.

		After		Before		After		Before	
		2018		2018		Change		Change	
		Col (3) Total	Col (3) Total	Col (3) Total	Col (3) Total	Col (9) Total	Col (9) Total	Col (9) Total	Col (9) Total
9.A.2.b.2	Adjusted gross deferred tax assets allowed per limitation threshold	15,402,273	19,971,492				(8,354,974)		(3,785,755)

The incorrect lines from the RBC calculation were reported on lines 9.A.3.a and 9.A.3.b in the original filing.

		After		Before		After		Before	
		2018		2018		Change		Change	
		Col (3) Total	Col (3) Total	Col (3) Total	Col (3) Total	Col (9) Total	Col (9) Total	Col (9) Total	Col (9) Total
9.A.3.a	Ratio percentage used to determine recovery period and threshold limitation amount					306.000%	320.000%		
9.A.3.b	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above					104,016,075	108,605,878		

A change was made to Note 20A(2) -Fair value measurements in Level 3 of the fair value hierarchy

Changed the sales amount from 700,000 to (700,000) for both electronic and PDF footnotes, this change was made because the software required sales to be entered as a negative amount.

Description	Ending Balance at 12/31/2017	Transfers into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2018
a. Assets										
Bond	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....
Foreign Governments	700,000	-	-	-	-	-	-	(700,000)	-	-
Other ABS	536,784	-	-	-	(2,148)	-	-	-	-	534,636
Total assets	\$ 1,236,784	\$ -	\$ -	\$ -	\$ (2,148)	\$ -	\$ -	\$ (700,000)	\$ -	\$ 534,636
b. Liabilities										
	\$.....	-	\$.....	-	\$.....	-	\$.....	-	\$.....	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

A change was made to PDF Note 24- Retrospectively Rated Contracts & Contracts Subject to Redetermination

2018 Annual Statement Amendment #2

The change was made because question 24F(1) is required to answer.

F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions? **NO**

Marked 24F(2)-(5) None

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - None

(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 - None

(4) Roll-forward of risk corridors asset and liability balances by program benefit year - None

(5) ACA risk corridors receivable as of reporting date - None

These changes have no impact on RBC calculation.



ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

Safe Auto Insurance Company

NAIC Group Code.....	0, 0 (Current Period) (Prior Period)	NAIC Company Code.....	25405	Employer's ID Number.....	31-1379882
Organized under the Laws of OH		State of Domicile or Port of Entry		OH	
Incorporated/Organized.....		Commenced Business.....		August 25, 1993	
May 28, 1993		4 Easton Oval .. Columbus .. OH 43219 (Street and Number) (City or Town, State, Country and Zip Code)		614-231-0200 (Area Code) (Telephone Number)	
Statutory Home Office		4 Easton Oval .. Columbus .. OH 43219 (Street and Number) (City or Town, State, Country and Zip Code)		614-231-0200 (Area Code) (Telephone Number)	
Main Administrative Office		4 Easton Oval .. Columbus .. OH 43219 (Street and Number) (City or Town, State, Country and Zip Code)		614-231-0200 (Area Code) (Telephone Number)	
Mail Address		4 Easton Oval .. Columbus .. OH 43219 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)		614-944-7680 (Area Code) (Telephone Number) (Extension)	
Primary Location of Books and Records		4 Easton Oval .. Columbus .. OH 43219 (Street and Number) (City or Town, State, Country and Zip Code)		614-559-5357 (Fax Number)	
Internet Web Site Address		www.safeauto.com			
Statutory Statement Contact		Thomas Happensack (Name) thomas.happensack@safeauto.com (E-Mail Address)			

OFFICERS

Name	Title	Name	Title
1. Ronald H Davies	Chief Executive Officer & President	2. Kelly A Armstrong	Chief Legal Officer & Secretary
3. Gregory A Sutton	Chief Financial Officer & Treasurer	4. Thomas J Happensack	Controller
Mark LeMaster	Claims Leader	Evan McKee	Product Leader
Partha Srinivas	Chief Information Officer	Charles Kordes	Customer Demand & Experience Leader

OTHER

DIRECTORS OR TRUSTEES

Ronald Davies	Ari Deshe	Elie Deshe	Jon Diamond
Gabriel Gliksberg	William Graves	Oded Gur-Arie	Karen Morrison #

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

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

(Signature) Ronald H Davies 1. (Printed Name) Chief Executive Officer & President (Title)	(Signature) Kelly A Armstrong 2. (Printed Name) Chief Legal Officer & Secretary (Title)	(Signature) Gregory A Sutton 3. (Printed Name) Chief Financial Officer & Treasurer (Title)
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Subscribed and sworn to before me

This 13th day of May 2019

a. Is this an original filing?

Yes [] No [X]

b. If no 1. State the amendment number

2

2. Date filed

3/27/19

3. Number of pages attached

Elect Footnotes only 9, 20 & 24