# AMENDED FILING EXPLANATION

The change in cash flow statement was due to a cost classification change.

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# ANNUAL STATEMENT

**For the Year Ended December 31, 2018**

of the Condition and Affairs of the

# MOTORISTS MUTUAL INSURANCE COMPANY

NAIC Group Code..... 291, 291 (Current Period) (Prior Period) | NAIC Company Code..... 14621 | Employer's ID Number..... 31-4259550

Organized under the Laws of OH | State of Domicile or Port of Entry OH | Country of Domicile US

Incorporated/Organized..... November 8, 1928 | Commenced Business..... November 27, 1928

| | | |
|---|---|---|
| Statutory Home Office | 471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | |
| Main Administrative Office | 471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 614-225-8211<br>*(Area Code) (Telephone Number)* |
| Mail Address | 471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215<br>*(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)* | |
| Primary Location of Books and Records | 471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 614-225-8211<br>*(Area Code) (Telephone Number)* |
| Internet Web Site Address | MOTORISTSINSURANCEGROUP.COM | |
| Statutory Statement Contact | AMY E KUHLMAN<br>*(Name)* | 614-225-8285<br>*(Area Code) (Telephone Number) (Extension)* |
| | ACCOUNTING@MOTORISTSGROUP.COM<br>*(E-Mail Address)* | 614-225-8330<br>*(Fax Number)* |

## OFFICERS

| Name | Title | Name | Title |
|---|---|---|---|
| 1. DAVID LYNN KAUFMAN | CHIEF EXECUTIVE OFFICER | 2. MARCHELLE ELAINE MOORE | SECRETARY |
| 3. JAMES CHRISTOPHER HOWAT | TREASURER | 4. THOMAS JOSEPH OBROKTA JR. | PRESIDENT |

## OTHER

| | | | |
|---|---|---|---|
| GREGORY ARTHUR BURTON | EXECUTIVE CHAIR | TERESA MARIE KING | CHIEF CLAIMS OFFICER |
| JOHN CHRISTOPHER KESSLER | CHIEF STRATEGY OFFICER | ANTHONY LASKA | CHIEF INFORMATION OFFICER |
| WILLIAM JOSEPH MCGEE, JR. | CHIEF RISK OFFICER | MARCHELLE ELAINE MOORE | CHIEF LEGAL OFFICER & GENERAL COUNSEL |

## DIRECTORS OR TRUSTEES

| | | | |
|---|---|---|---|
| W. MARSTON BECKER | JOHN JACOB BISHOP | YVETTE MCGEE BROWN | GREGORY ARTHUR BURTON |
| KEVIN JOSEPH CRAIG | THOMAS VINCENT FLAHERTY | ARCHIE MASON GRIFFIN | SANDRA WERTH HARBRECHT |
| DAVID LYNN KAUFMAN | DAVID LEE RADER | ROBERT CHARLES SMITH | STEVEN FRANK WHITE |

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) | (Signature) | (Signature) |
|---|---|---|
| DAVID LYNN KAUFMAN | MARCHELLE ELAINE MOORE | JAMES CHRISTOPHER HOWAT |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| CHIEF EXECUTIVE OFFICER | SECRETARY | TREASURER |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me
This 8TH day of FEBRUARY 2019

a. Is this an original filing? Yes [ ] No [ X ]
b. If no
1. State the amendment number 1
2. Date filed 5/31/19
3. Number of pages attached 3

# CASH FLOW

| | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| | **CASH FROM OPERATIONS** | | |
| 1. | Premiums collected net of reinsurance | 326,431,180 | 484,990,000 |
| 2. | Net investment income | 38,944,398 | 29,508,058 |
| 3. | Miscellaneous income | (114,411,262) | 10,655,491 |
| 4. | Total (Lines 1 through 3) | 250,964,317 | 525,153,549 |
| 5. | Benefit and loss related payments | 45,540,317 | 277,358,950 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 124,406,600 | 283,397,399 |
| 8. | Dividends paid to policyholders | 4,126,879 | 2,611,941 |
| 9. | Federal and foreign income taxes paid (recovered) net of $.....2,422,123 tax on capital gains (losses) | (14,172,606) | 19,951,805 |
| 10. | Total (Lines 5 through 9) | 159,901,191 | 583,320,095 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 91,063,126 | (58,166,546) |
| | **CASH FROM INVESTMENTS** | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| | 12.1 Bonds | 170,831,757 | 173,559,547 |
| | 12.2 Stocks | 72,858,298 | 37,668,893 |
| | 12.3 Mortgage loans | | |
| | 12.4 Real estate | 1,238,556 | 1,841,698 |
| | 12.5 Other invested assets | 15,808,545 | 35,435,818 |
| | 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | 366 |
| | 12.7 Miscellaneous proceeds | 466,020 | 868,058 |
| | 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 261,203,176 | 249,374,380 |
| 13. | Cost of investments acquired (long-term only): | | |
| | 13.1 Bonds | 263,941,333 | 108,684,300 |
| | 13.2 Stocks | 85,682,128 | 72,977,203 |
| | 13.3 Mortgage loans | | |
| | 13.4 Real estate | 2,591,371 | 3,428,655 |
| | 13.5 Other invested assets | 18,573,255 | 22,568,767 |
| | 13.6 Miscellaneous applications | 75,966 | 309,730 |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 370,864,053 | 207,968,655 |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14) | (109,660,877) | 41,405,725 |
| | **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 | 726,000 | |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| | 16.5 Dividends to stockholders | | |
| | 16.6 Other cash provided (applied) | 16,631,315 | 31,691,933 |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 17,357,315 | 31,691,933 |
| | **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (1,240,436) | 14,931,112 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| | 19.1 Beginning of year | 21,791,058 | 6,859,946 |
| | 19.2 End of year (Line 18 plus Line 19.1) | 20,550,622 | 21,791,058 |

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

| | | | |
|---|---|---|---|
| 20.0001 | | | |

# FIVE-YEAR HISTORICAL DATA

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

| | 1<br>2018 | 2<br>2017 | 3<br>2016 | 4<br>2015 | 5<br>2014 |
|---|---|---|---|---|---|
| **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) | 890,714,324 | 362,619,497 | 360,891,974 | 353,567,235 | 350,759,404 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 157,690,298 | 162,040,460 | 159,667,521 | 162,785,211 | 176,736,536 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 197,103,654 | 204,026,304 | 210,895,259 | 221,694,335 | 228,737,582 |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 1,030,135 | 1,160,774 | 1,148,290 | 1,074,429 | 999,926 |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 8,294,031 | 7,272,621 | 7,611,426 | 7,401,251 | 8,555,913 |
| 6. Total (Line 35) | 1,254,832,443 | 737,119,656 | 740,214,470 | 746,522,461 | 765,789,361 |
| **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) | 231,375,857 | 243,775,690 | 239,546,145 | 236,885,164 | 233,881,730 |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 25,324,821 | 109,857,608 | 106,435,618 | 107,437,227 | 116,086,946 |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 25,396,382 | 135,321,489 | 137,358,526 | 141,366,130 | 144,424,791 |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 148,276 | 794,313 | 774,216 | 722,290 | 667,668 |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 2,521,821 | 4,981,745 | 5,213,827 | 5,069,857 | 5,850,718 |
| 12. Total (Line 35) | 284,767,157 | 494,730,845 | 489,328,332 | 491,480,668 | 500,911,853 |
| **Statement of Income (Page 4)** | | | | | |
| 13. Net underwriting gain (loss) (Line 8) | 17,838,927 | (127,919,257) | (11,560,328) | (8,645,977) | (3,375,134) |
| 14. Net investment gain (loss) (Line 11) | 48,669,132 | 30,945,473 | 29,528,360 | 18,453,076 | 40,539,785 |
| 15. Total other income (Line 15) | (5,717,973) | 10,655,491 | 4,164,628 | 2,459,922 | 5,472,963 |
| 16. Dividends to policyholders (Line 17) | 2,200,089 | 2,760,795 | 2,306,002 | 2,692,891 | 3,534,153 |
| 17. Federal and foreign income taxes incurred (Line 19) | (4,686,042) | 3,270,930 | 88,660 | 1,765,431 | (1,331,930) |
| 18. Net income (Line 20) | 63,276,040 | (92,350,018) | 19,737,998 | 7,808,699 | 40,435,391 |
| **Balance Sheet Lines (Pages 2 and 3)** | | | | | |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) | 1,612,580,695 | 1,370,810,725 | 1,359,654,695 | 1,387,354,078 | 1,373,884,308 |
| 20. Premiums and considerations (Page 2, Col. 3): | | | | | |
| 20.1 In course of collection (Line 15.1) | 48,394,901 | 22,082,182 | 23,617,927 | 39,413,776 | 30,120,137 |
| 20.2 Deferred and not yet due (Line 15.2) | 117,201,076 | 123,999,858 | 119,233,063 | 114,488,837 | 109,086,791 |
| 20.3 Accrued retrospective premiums (Line 15.3) | | | | | |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26) | 1,162,725,747 | 910,144,826 | 815,395,667 | 833,490,269 | 816,476,501 |
| 22. Losses (Page 3, Line 1) | 500,780,495 | 338,314,315 | 289,035,938 | 286,236,131 | 279,450,789 |
| 23. Loss adjustment expenses (Page 3, Line 3) | 91,051,094 | 84,784,538 | 72,287,635 | 70,619,300 | 69,761,169 |
| 24. Unearned premiums (Page 3, Line 9) | 156,011,014 | 223,358,065 | 223,377,582 | 224,964,101 | 227,930,873 |
| 25. Capital paid up (Page 3, Lines 30 & 31) | | | | | |
| 26. Surplus as regards policyholders (Page 3, Line 37) | 449,854,944 | 460,665,899 | 544,259,029 | 553,863,809 | 557,407,808 |
| **Cash Flow (Page 5)** | | | | | |
| 27. Net cash from operations (Line 11) | 91,063,126 | (58,166,546) | 17,570,401 | 27,537,163 | 3,877,886 |
| **Risk-Based Capital Analysis** | | | | | |
| 28. Total adjusted capital | 453,150,090 | 464,841,655 | 548,334,375 | 557,957,895 | 562,585,923 |
| 29. Authorized control level risk-based capital | 65,750,830 | 79,308,314 | 66,953,099 | 65,905,122 | 67,444,352 |
| **Percentage Distribution of Cash, Cash Equivalents and Invested Assets** (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0 | | | | | |
| 30. Bonds (Line 1) | 61.5 | 56.3 | 62.9 | 64.8 | 64.6 |
| 31. Stocks (Lines 2.1 & 2.2) | 23.8 | 27.7 | 22.4 | 21.9 | 21.9 |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2) | | | | | |
| 33. Real estate (Lines 4.1, 4.2 & 4.3) | 2.9 | 3.0 | 2.9 | 2.7 | 2.8 |
| 34. Cash, cash equivalents and short-term investments (Line 5) | 1.9 | 2.2 | 0.7 | (0.0) | (0.1) |
| 35. Contract loans (Line 6) | | | | | |
| 36. Derivatives (Line 7) | | | | | |
| 37. Other invested assets (Line 8) | 9.8 | 10.7 | 11.0 | 10.6 | 10.8 |
| 38 Receivables for securities (Line 9) | 0.0 | 0.1 | 0.1 | 0.0 | |
| 39. Securities lending reinvested collateral assets (Line 10) | | | | | |
| 40. Aggregate write-ins for invested assets (Line 11) | | | | | |
| 41. Cash, cash equivalents and invested assets (Line 12) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Investments in Parent, Subsidiaries and Affiliates** | | | | | |
| 42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1) | | | | | |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1) | | | | | |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1) | 94,191,032 | 100,091,524 | 104,775,333 | 104,825,034 | 98,291,815 |
| 45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10) | | | | | |
| 46. Affiliated mortgage loans on real estate | | | | | |
| 47. All other affiliated | 16,000,000 | 16,000,000 | 16,000,000 | 16,000,000 | 16,000,000 |
| 48. Total of above lines 42 to 47 | 110,191,032 | 116,091,524 | 120,775,333 | 120,825,034 | 114,291,815 |
| 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) | 24.5 | 25.2 | 22.2 | 21.8 | 20.5 |

# FIVE-YEAR HISTORICAL DATA
(Continued)

| | 1<br>2018 | 2<br>2017 | 3<br>2016 | 4<br>2015 | 5<br>2014 |
|---|---|---|---|---|---|
| **Capital and Surplus Accounts (Page 4)** | | | | | |
| 51. Net unrealized capital gains (losses) (Line 24) | (51,313,795) | 6,171,637 | (2,215,065) | (1,070,632) | (4,463,956) |
| 52. Dividends to stockholders (Line 35) | | | | | |
| 53. Change in surplus as regards policyholders for the year (Line 38) | (10,810,956) | (83,593,130) | (9,604,780) | (3,543,999) | (11,376,483) |
| **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) | (637,744,938) | 189,163,160 | 188,352,721 | 170,289,573 | 170,384,934 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 82,344,707 | 89,564,563 | 81,605,498 | 86,707,003 | 97,931,903 |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 98,310,820 | 130,144,674 | 112,488,868 | 113,394,221 | 117,777,790 |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 688,153 | 263,637 | 699,767 | 169,840 | 179,631 |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 5,462,382 | 5,093,404 | 6,250,018 | 4,148,646 | 5,653,146 |
| 59. Total (Line 35) | (450,938,876) | 414,229,438 | 389,396,872 | 374,709,283 | 391,927,404 |
| **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) | (61,880,520) | 127,404,349 | 124,752,366 | 112,205,529 | 121,049,695 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) | 31,460,016 | 61,342,240 | 55,834,120 | 59,305,573 | 67,100,528 |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | 48,359,696 | 86,308,185 | 69,421,249 | 74,468,628 | 81,110,533 |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 400,823 | 180,591 | 479,340 | 116,340 | 128,567 |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33) | 10,487,128 | 3,488,982 | 4,281,262 | 2,841,822 | 4,509,318 |
| 65. Total (Line 35) | 28,827,143 | 278,724,347 | 254,768,337 | 248,937,892 | 273,898,641 |
| **Operating Percentages (Page 4)**<br>(Item divided by Page 4, Line 1) x 100.0 | | | | | |
| 66. Premiums earned (Line 1) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 67. Losses incurred (Line 2) | 54.3 | 66.3 | 52.5 | 51.7 | 52.7 |
| 68. Loss expenses incurred (Line 3) | 13.9 | 17.2 | 11.6 | 12.7 | 11.3 |
| 69. Other underwriting expenses incurred (Line 4) | 26.7 | 42.4 | 38.2 | 37.3 | 36.7 |
| 70. Net underwriting gain (loss) (Line 8) | 5.1 | (25.9) | (2.4) | (1.7) | (0.7) |
| **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) | 35.0 | 40.2 | 37.5 | 37.0 | 34.8 |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) | 68.2 | 83.5 | 64.1 | 64.4 | 64.0 |
| 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) | 63.3 | 107.4 | 89.9 | 88.7 | 89.9 |
| **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) | (58,526) | 28,009 | (3,619) | (13,964) | (15,134) |
| 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) | (12.7) | 5.1 | (0.7) | (2.5) | (2.7) |
| **Two Year Loss Development ($000 omitted)** | | | | | |
| 76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12) | (59,288) | 11,178 | (9,222) | (24,845) | (12,203) |
| 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) | (10.9) | 2.0 | (1.7) | (4.4) | (2.5) |

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 [ X ]

If no, please explain: