AMENDED FILING EXPLANATION

Amended filing due to incomplete notes brought to our attention by the OH DOI.

14621201820100100

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 *(Street and Number) (City or Town, State, Country and Zip Code)*			
Main Administrative Office	471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215 *(Street and Number) (City or Town, State, Country and Zip Code)*			614-225-8211 *(Area Code) (Telephone Number)*
Mail Address	471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215 *(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 *(Street and Number) (City or Town, State, Country and Zip Code)*			614-225-8211 *(Area Code) (Telephone Number)*
Internet Web Site Address	MOTORISTSINSURANCEGROUP.COM			
Statutory Statement Contact	AMY E KUHLMAN *(Name)*			614-225-8285 *(Area Code) (Telephone Number) (Extension)*
	ACCOUNTING@MOTORISTSGROUP.COM *(E-Mail Address)*			614-225-8330 *(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	2
	2. Date filed	7/26/2019
	3. Number of pages attached	32

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

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 Sate of Ohio is shown below.

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	$ 63,276,040	$ (92,350,017)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	$ 63,276,040	$ (92,350,017)
SURPLUS					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	$ 449,854,944	$ 460,665,899
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				$	$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	$ 449,854,944	$ 460,665,899

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the NAIC Annual Statement Instructions and the Accounting Policies and Procedures Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

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

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the NAIC Annual Statement Instructions and the Accounting Policies and Procedures Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 premiums written. Such reserves are computed by daily and pro rata methods for direct business and are based on reports received from ceding companies and/or pools for assumed business.

(1) Basis for Short-Term Investments
Short-term investments consist of class 1 money market mutual funds, agencies, and treasury bonds. Short term investments are stated at amortized cost.

(2) Basis for Bonds and Amortization Schedule
Bonds not back by other loans are stated at amortized cost using the scientific amortization method.

(3) Basis for Common Stocks
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) Basis for Preferred Stocks
Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.

(5) Basis for Mortgage Loans
The Company did not have any mortgage loans.

(6) Basis for Loan-Backed Securities and Adjustment Methodology
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) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
The Company owns 70% of the common stock of Motorists Life Insurance Company, a life insurer; 100% of the common stock of MICO Insurance, Company, a property/casualty insurer; 100% of the common stock of Motorists Service Corporation, a software services and staffing company; and 100% of Consumers Insurance USA, Inc. a property/casualty insurer. Motorist Life Insurance Company, MICO Insurance Company and Consumers Insurance USA, Inc. are valued on an equity basis as described in Part 5, Section 2ciB1 of the Securities Valuation Handbook. Motorists Service Corporation is valued on an equity basis as described in Part 5, Section 2ciB2 of the Securities Valuation Handbook

(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
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) Accounting Policies for Derivatives
The Company does not hold any derivative instruments.

(10) Anticipated Investment Income Used in Premium Deficiency Calculation
The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts-Premiums

(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for A&H Contracts
Unpaid loss and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based upon past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates. While management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments reflected in the period determined.

(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period
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) Method Used to Estimate Pharmaceutical Rebate Receivables
The Company has no pharmaceutical rebate receivables to report.

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

Note 2 – Accounting Changes and Correction 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)

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

The transaction was accounted for as a statutory purchase, and reflects the following:

1 Purchased Entity	2 Acquisition Date	3 Cost of Acquired Entity	4 Original Amount of Admitted Goodwill	5 Admitted Goodwill as of the Reporting Date	6 Amount of Goodwill Amortized During the Reporting Period	7 Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill
Consumers Insurance Group, Inc.	August 31, 2014	$ 32,371,923	$ 17,174,689	$ 9,732,323	$ 1,717,469	%

B. Statutory Merger
Information concerning statutory mergers is not applicable.

C. Impairment Loss
The Company did not recognize an impairment loss on the transaction described above.

Note 4 – Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale
The Company did not discontinue any of its operations during the periods reported.

Note 5 – Investments

A. The Company did not have any mezzanine real estate loans during the periods reported. As of December 31, 2018, the Company did not have any residential mortgage loans.

B. Debt Restructuring
The Company was not involved in any debt restructuring during the periods reported.

NOTES TO FINANCIAL STATEMENTS

C. Reverse Mortgages

The Company did not have any reverse mortgages during the periods reported.

D. Loan-Backed Securities

(1) Description of Sources Used to Determined Prepayment Assumptions
Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from market data vendors or broker dealer values.

(2) Other-Than-Temporary Impairments
The Company did not hold any loan-baked securities with other-than-temporary impairments.

(3) Recognized OTTI securities
The Company did not hold any current year other-than-temporary recognized losses.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.	The aggregate amount of unrealized losses:	1. Less than 12 Months	$	620,315
		2. 12 Months or Longer	$	1,484,452
b.	The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	$	53,495,799
		2. 12 Months or Longer	$	40,478,729

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary
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. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any dollar repurchase agreements or relevant securities lending transactions during the periods reported.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not have any repurchase agreements transactions accounted for as secured borrowing during the periods reported.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

The Company did not have any reverse repurchase agreements transactions accounted for as secured borrowing during the periods reported.

H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

The Company did not have any repurchase agreements transactions accounted for as a sale during the periods reported.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

The Company did not have any reverse repurchase agreements transactions accounted for as a sale during the periods reported.

J. Real Estate

(1) Recognized Impairment Loss
The Company did not recognize any impairment losses for investments in real estate during the periods reported.

(2) Sold or Classified Real Estate Investments as Held for Sale
The Company purchased one residential home and sold one residential home in conjunction with associate employment contracts. Proceeds from the sale was equal to the cost of the investment so no gain or loss was recorded. The property owned is being actively marketed for sale by a real estate broker and is valued net of anticipated disposal costs at year end.

The Company sold one office building in November of 2018. The property realized a gain of $469,302.

(3) Changes to a Plan of Sale for an Investment in Real Estate
The Company did not experience any changes to its plans of sale for its real estate investments during the periods reported.

(4) Retail Land Sales Operations
The Company did not engage in retail land sales operations during the periods reported.

(5) Real Estate Investments with Participating Mortgage Loan Features
The Company did not hold any real estate investments with participating mortgage loan features during the period reported.

K. Low-Income Housing Tax Credits (LIHTC)

(1) Number of Remaining Years of Unexpired Tax Credits and Holding Period for LIHTC Investments
As of December 31, 2018, the company's LIHTC investments did not have any remaining unexpired tax credits. There is not a required holding period for the LIHTC investments.

NOTES TO FINANCIAL STATEMENTS

(2) Amount of LIHTC and Other Tax Benefits Recognized
There was $109,203 in recognized losses during the current year.

(3) Balance of Investment Recognized
The remaining LIHTC investments total $1,508,081 as of December 31, 2018.

(4) Regulatory Reviews
As of the date of this publication, there were not any underlying properties in the LIHTC funds known to be under regulatory review.

(5) LIHTC investments which Exceed 10% of Total Admitted Assets
Not Applicable

(6) Recognized Impairment
Not Applicable

(7) Amount and Nature of Write-Downs or Reclassifications
Not Applicable

L. Restricted Assets

The Company held other restricted assets as listed below:

(1) Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
Restricted Asset Category	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 (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	$	$	$	$	$	$	$	$	$	%	%
b. Collateral held under security lending arrangements										%	%
c. Subject to repurchase agreements										%	%
d. Subject to reverse repurchase agreements										%	%
e. Subject to dollar repurchase agreements										%	%
f. Subject to dollar reverse repurchase agreements										%	%
g. Placed under option contracts										%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										%	%
i. FHLB capital stock	2,039,300				2,039,300	2,039,300			2,039,300	0.1%	0.1%
j. On deposit with states	1,896,881				1,896,881	1,851,850	45,031		1,896,881	0.1%	0.1%
k. On deposit with other regulatory bodies										%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	56,068,403				56,068,403	24,836,433	31,231,970		56,068,403	3.3%	3.5%
m. Pledged as collateral not captured in other categories										%	%
n. Other restricted assets	8,105,983				8,105,983	7,984,265	121,718		8,105,983	0.5%	0.5%
o. Total Restricted Assets	$ 68,110,568	$	$	$	$ 68,110,568	$ 36,711,848	$ 31,398,720	$	$ 68,110,568	4.0%	4.2%

(a) Subset of column 1
(b) Subset of column 3
(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contacts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Description of Assets	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 Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
	$	$	$	$	$	$	$	$	%	%
Total (c)	$	$	$	$	$	$	$	$	%	%

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively.

NOTES TO FINANCIAL STATEMENTS

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
Description of Assets	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 Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
COMM 18COR3 A2	$ 2,523,322	$	$	$	$ 2,523,322	$	$ 2,523,322	$ 2,523,322	0.1%	0.2%
Total Capital International SA	$ 4,979,240	$	$	$	$ 4,979,240	$ 4,975,749	$ 3,491	$ 4,979,240	0.3%	0.3%
University Toledo Ohio Gen Rcpts	$ 250,000	$	$	$	$ 250,000	$	$ 250,000	$ 250,000	%	%
Wal-Mart Stores, Inc. #931142DD2	$ -	$	$	$	$	$ 3,008,516	$ (3,008,516)	$ -	%	%
WFCM 18C47 A3	$ 353,421	$	$	$	$ 353,421	$	$ 353,421	$ 353,421	%	%
Total (c)	$ 8,105,983	$	$	$	$ 8,105,983	$ 7,984,265	$ 121,718	$ 8,105,983	0.5%	0.5%

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

The Company did not have any collateral received assets.

M. Working Capital Finance Investments

The company was not involved in any Working Capital Finance Investments during the periods reported.

N. Offsetting and Netting of Assets and Liabilities

As of December 31, 2018, the Company was not involved in any Offsetting and Netting of Assets and Liabilities during the periods reported.

NOTES TO FINANCIAL STATEMENTS

O. Structured Notes

The Company held Structured Notes as listed below:

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Referenced Security (YES/NO)
00248P AP 1	$ 4,338,780	$ 4,340,958	$ 4,338,780	NO
02582J HN 3	$ 2,550,000	$ 2,548,284	$ 2,550,000	NO
02587A AL 8	$ 1,513,652	$ 1,501,646	$ 1,514,464	NO
05683L AA 4	$ 1,000,000	$ 1,000,000	$ 1,000,000	NO
08161C AE 1	$ 3,604,983	$ 3,572,942	$ 3,596,802	YES
08763Q AA 0	$ 1,250,000	$ 1,250,000	$ 1,250,000	NO
161542 DQ 5	$ 31,768	$ 122,708	$ 12,518	YES
17291D AD 5	$ 5,149,779	$ 5,230,683	$ 5,142,803	YES
3137B9 BZ 7	$ 47,987	$ 47,943	$ 47,987	YES
31385X NF 0	$ 136,306	$ 139,883	$ 142,044	YES
31390U MU 7	$ 69,510	$ 73,063	$ 71,512	YES
31402H Z2 0	$ 84,211	$ 85,392	$ 83,960	YES
31403D YB 9	$ 330,771	$ 335,161	$ 343,823	YES
31405Q AX 6	$ 130,608	$ 135,290	$ 133,490	YES
31414R PK 5	$ 99,467	$ 102,681	$ 99,189	YES
36321J AC 8	$ 3,000,000	$ 3,000,000	$ 3,000,000	NO
38014B AC 3	$ 1,936,546	$ 1,935,254	$ 1,936,546	NO
38137H BU 1	$ 3,000,000	$ 3,000,000	$ 3,000,000	NO
38376G DN 7	$ 993,600	$ 953,601	$ 988,592	YES
42824C AG 4	$ 1,499,580	$ 1,503,885	$ 1,499,850	NO
44935A AC 9	$ 1,672,471	$ 1,672,152	$ 1,672,471	NO
452570 AE 4	$ 498,844	$ 489,582	$ 489,582	YES
46645U AT 4	$ 2,059,996	$ 2,003,130	$ 2,048,585	YES
912810 FH 6	$ 1,963,693	$ 1,956,913	$ 1,881,687	NO
912810 FQ 6	$ 264,005	$ 297,762	$ 282,881	NO
912810 FR 4	$ 1,655,243	$ 1,740,690	$ 1,731,745	NO
912810 PV 4	$ 430,656	$ 422,975	$ 438,133	NO
912810 PZ 5	$ 3,725,326	$ 4,423,967	$ 4,135,032	NO
912810 QF 8	$ 868,598	$ 926,920	$ 904,595	NO
912810 QP 6	$ 325,419	$ 340,865	$ 336,951	NO
912810 QV 3	$ 1,407,688	$ 1,624,865	$ 1,592,713	NO
912810 RA 8	$ 399,824	$ 404,813	$ 431,787	NO
912810 RF 7	$ 1,619,344	$ 1,568,549	$ 1,698,822	NO
912810 RR 1	$ 282,935	$ 252,921	$ 293,535	NO
912810 RW 0	$ 253,481	$ 250,002	$ 263,867	NO
912810 SB 5	$ 250,048	$ 242,937	$ 256,266	NO
912828 H4 5	$ 1,007,085	$ 1,022,417	$ 1,073,308	NO
912828 LA 6	$ 797,829	$ 781,443	$ 793,243	NO
912828 MF 4	$ 866,658	$ 848,152	$ 872,413	NO
912828 N7 1	$ 1,190,040	$ 1,170,544	$ 1,227,097	NO
912828 NM 8	$ 1,463,049	$ 1,457,975	$ 1,490,432	NO
912828 PP 9	$ 3,848,324	$ 3,797,382	$ 3,920,203	NO
912828 Q6 0	$ 358,074	$ 363,111	$ 376,750	NO
912828 QV 5	$ 1,067,869	$ 1,109,708	$ 1,168,713	NO
912828 S5 0	$ 98,607	$ 99,041	$ 103,811	NO
912828 SA 9	$ 673,864	$ 683,217	$ 728,168	NO
912828 UH 1	$ 2,281,948	$ 2,433,774	$ 2,508,353	NO
912828 V4 9	$ 139,655	$ 139,203	$ 146,257	NO
912828 WU 0	$ 3,632,190	$ 3,778,758	$ 3,900,153	NO
912828 XL 9	$ 1,840,774	$ 1,891,631	$ 1,959,103	NO
92348R AB 4	$ 1,000,000	$ 999,700	$ 1,000,000	NO
92349F AB 9	$ 3,000,000	$ 2,995,481	$ 3,000,000	NO
	$ 71,711,083	$ 73,069,956	$ 73,479,013	XXX

P. 5GI Securities

The Company did not hold 5GI securities.

Q. Short Sales

The Company did not have any short sales during the period reported.

R. Prepayment Penalty and Acceleration Fees

The Company did not pay any prepayment penalty and acceleration fees during the period reported.

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

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. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies

The Company did not recognize any impairment write-downs for investments in joint ventures, partnerships or limited liability companies during the periods reported.

Note 7 – Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:
The Company did not exclude any due and accrued investment income from surplus during the periods reported.

B. The total amount excluded:
The total amount excluded was $0.

Note 8 – Derivative Instruments

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

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	$ 71,753,742	$ 442,446	$ 72,196,188	$ 88,469,928	$ 173,217	$ 88,643,145	$(16,716,186)	$ 269,229	$(16,446,957)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	$ 71,753,742	$ 442,446	$ 72,196,188	$ 88,469,928	$ 173,217	$ 88,643,145	$(16,716,186)	$ 269,229	$(16,446,957)
d. Deferred tax assets nonadmitted	27,509,985		27,509,985	30,184,292		30,184,292	(2,674,307)		(2,674,307)
e. Subtotal net admitted deferred tax asset (1c-1d)	$ 44,243,757	$ 442,446	$ 44,686,203	$ 58,285,636	$ 173,217	$ 58,458,853	$(14,041,879)	$ 269,229	(13,772,650)
f. Deferred tax liabilities	3,897,955	5,119,122	9,017,077	5,476,886	14,812,770	20,289,656	(1,578,931)	(9,693,648)	(11,272,579)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	$ 40,345,802	$ (4,676,676)	$ 35,669,126	$ 52,808,750	$(14,639,553)	$ 38,169,197	$(12,462,948)	$ 9,962,877	$ (2,500,071)

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	$ $-	$ $-	$	$	$	$	$	$	$
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	35,591,732	77,392	35,669,124	38,034,138	135,059	38,169,197	(2,442,406)	(57,667)	(2,500,073)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	35,591,732	77,392	35,669,124	38,034,138	135,059	38,169,197	(2,442,406)	(57,667)	(2,500,073)
2. Adjusted gross deferred tax assets allowed per limitation threshold						60,646,351			(60,646,351)
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	8,652,024	365,054	9,017,078	20,251,497	38,159	20,289,656	(11,599,473)	326,895	(11,272,578)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	$ 44,243,756	$ 442,446	$ 44,686,202	$ 58,285,635	$ 173,218	$ 58,458,853	$ (14,041,879)	$ 269,228	$ (13,772,651)

3. Other Admissibility Criteria

	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount	538.0%	538.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 432,337,212	$ 426,672,458

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	2018		2017		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 71,753,742	$ 442,446	$ 88,469,928	$ 173,217	$ (16,716,186)	$ 269,229
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	13.5%	%	11.0%	%	2.5%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	$ 44,243,757	$ 442,446	$ 58,285,636	$ 173,217	$ (14,041,879)	$ 269,229
4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	21.9%	%	16.6%	%	5.3%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

NOTES TO FINANCIAL STATEMENTS

B. Deferred Tax Liabilities Not Recognized

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

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2018	2 2017	3 (Col 1-2) Change
a. Federal	$ (4,686,042)	$ 3,270,931	$ (7,956,973)
b. Foreign	$	$	$
c. Subtotal	$ (4,686,042)	$ 3,270,931	$ (7,956,973)
d. Federal income tax on net capital gains	$ 1,282,092	$ 5,654,363	$ (4,372,271)
e. Utilization of capital loss carry-forwards	$	$	$
f. Other	$	$	$
g. Federal and Foreign income taxes incurred	$ (3,403,950)	$ 8,925,294	$ (12,329,244)

2. Deferred Tax Assets

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	$ 17,257,196	$ 9,628,447	$ 7,628,749
2. Unearned premium reserve	6,676,486	9,487,603	(2,811,117)
3. Policyholder reserves			
4. Investments	376,602	376,602	
5. Deferred acquisition costs			
6. Policyholder dividends accrual	314,267	718,893	(404,626)
7. Fixed assets			
8. Compensation and benefits accrual	1,236,469	2,876,929	(1,640,460)
9. Pension accrual	9,927,612	20,984,761	(11,057,149)
10. Receivables - nonadmitted	14,962,924	12,192,986	2,769,938
11. Net operating loss carry-forward	9,624,816	17,609,550	(7,984,734)
12. Tax credit carry-forward	11,146,906	14,381,868	(3,234,962)
13. Other (items <=5% and >5% of total ordinary tax assets)	230,464	212,289	18,175
Other (items listed individually >5%of total ordinary tax assets)			
99. Subtotal	71,753,742	88,469,928	(16,716,186)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	27,509,985	30,184,292	(2,674,307)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	44,243,757	58,285,636	(14,041,879)
e. Capital:			
1. Investments	$ 442,446	$ 173,217	$ 269,229
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	$ 442,446	$ 173,217	$ 269,229
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	442,446	173,217	269,229
i. Admitted deferred tax assets (2d+2h)	$ 44,686,203	$ 58,458,853	$ (13,772,650)

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	$ 347,534	$ 1,025,443	$ (677,909)
2. Fixed assets	1,601,530	1,360,005	241,525
3. Deferred and uncollected premium	1,948,891	3,091,438	(1,142,547)
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)			
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	3,897,955	5,476,886	(1,578,931)
b. Capital:			
1. Investments	5,119,122	14,812,770	(9,693,648)
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	5,119,122	14,812,770	(9,693,648)
c. Deferred tax liabilities (3a99+3b99)	$ 9,017,077	$ 20,289,656	$ (11,272,579)
4. Net Deferred Tax Assets (2i – 3c)	$ 35,669,126	$ 38,169,197	$ (2,500,071)

The Company's deferred income tax assets and liabilities as of December 31, 2018, were reported using the 21% tax rate, enacted on December 22,2017, under the Tax Cuts and Jobs Act (Act). The change in deferred taxes due to the change in tax rates is reflected in Note 9D. 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 the U.S. Treasury, and the potential for additional guidance from Statutory Accounting Principle Working Group, these estimates may be adjusted during 2019.

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	2018	Effective Tax Rate
Provision computed at statutory rate	$ 12,563,650	21.0%
Tax effect of:		
Dividend received deduction	(130,858)	-0.2%
Tax exempt interest income deduction	(952,907)	-1.6%
ICOLI	1,275,171	2.1%
Tax free contribution & subsidiary dissolution	-	0.0%
Non-deductible expenses	65,859	0.1%
State Grants Rec'd	-	0.0%
Prior Year True Up	257	0.0%
Return to provision		0.0%
Deferred tax true-up		0.0%
Change in non-admitted assets	(2,769,939)	-4.6%
Change in valuation allowance	-	0.0%
Low income housing and foreign tax credits		0.0%
Rate Differential	697,032	1.2%
Other	0	0.0%
Total statutory income taxes (benefit)	**$ 10,748,265**	**18.0%**

	2018	Effective Tax Rate
Federal and foreign income taxes incurred	$ (3,403,950)	-5.7%
Change in net deferred income taxes (without tax on unrealized gains and losses)	14,152,215	23.7%
Total statutory income taxes (benefit)	**$ 10,748,265**	**18.0%**

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss Carryfowards and Income Taxes Available for Recoupment

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

At December 31, 2018, the Company had the following net operating loss carryforwards:

Year Generated	Amount	Expiration
2017	$40,616,368	2037
2018	$0	2038
Totals	$40,616,368	

At December 31, 2018, the Company had the following charitable contribution carryforwards:

Year Generated	Amount	Expiration
2015	$967,804	2020
2016	$749,448	2021
2017	$1,994,551	2022
2018	$1,504,284	2023
Totals	$5,216,087	

At December 31, 2018, the Company had tax credit carryforwards which will expire as follows:

Carryforward Type	Amount	Expiration
Work Opportunity Credit	$101	2030 - 2036
Research & Experimentation	$2,715,040	2031 - 2036
Low Income Housing Credit	$5,609,809	2029 - 2036
New Hire Retention Credit	$10,405	N/A
AMT Credit	$2,655,363	N/A
Foreign Tax Credit	$156,188	2019 - 2028
Totals	$11,146,906	

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital
2018	$0	$0
2017	$0	$0
2016	$0	$0
Totals	$0	$0

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:
   MICO Insurance Company
   Motorists Service Corporation
   Consumers Insurance USA, Inc.

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:
   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. Federal or Foreign Federal Income Tax Loss Contingencies:
As of December 31, 2018, the Company had no unrecognized tax benefits.

H. The Company is not subject to the Repatriation Transition Tax

NOTES TO FINANCIAL STATEMENTS

I. Alternative Minimum Tax (AMT Credit)

Gross AMT Credit Recognized as:

1a	Current year recoverable	2,655,363
1b	Deferred tax asset (DTA)	2,655,363
2	Beginning Balance of AMT Credit Carryforward	6,141,092
3	Amounts Recovered	2,655,363
4	Adjustments	830,367
5	Ending Balance of AMT Credit Carryforward (5=2-3-4)	2,655,362
6	Reduction for Sequestration	
7	Nonadmltted by Reporting Entity	
8	Reporting Entity Ending Balance (8=5-6-7)	2,655,362

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

A. Nature of the Relationship Involved

The Company is a member of an affiliated group of companies and is party to various transactions and agreements with other members of the group. Primarily those transactions are composed of:

- IT and Payroll processing services are provided by a non-insurance member of the group.
- The P&C Companies within the group participate in a pooling arrangement.
- The lead company to the pool provides management services to the other members of the Group. All Companies in the Group are parties to a cost sharing agreement.
- The Various companies have entered into a tax sharing agreement with each company that qualifies to be included in a consolidated return.
- Selected members of the group participated in intercompany loan agreements.

Motorists Mutual Insurance Company and BrickStreet Mutual Insurance Company secured regulatory approval to enter into an affiliation agreement on April 20, 2017, and executed the agreement on April 24, 2017, forming a revised Motorists Insurance Group. 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. The pool was realigned effective January 1, 2018. Refer to Note 26 for the revised pooling agreement.

NAIC Group Number (current)	NAIC Company Code	Company Name	Pooling Percentage
0291	14621	Motorists Mutual Insurance Company	32.4%
0291	12372	Brickstreet Mutual Insurance Company	48.0%
0291	13331	Motorists Commercial Mutual Insurance Company	10.3%
0291	10204	Consumers Insurance USA, Inc.	2.1%
0291	19950	Wilson Mutual Insurance Company	1.7%
0291	14338	Iowa Mutual Insurance Company	1.7%
0291	23175	Phenix Mutual Insurance Company	1.6%
0291	31577	Iowa American Insurance Company	0.6%
0291	15137	PinnaclePoint Insurance Company	0.8%
0291	15136	SummitPoint Insurance Company	0.8%
0291	40932	Mico Insurance Company	0.0%
0291	13045	NorthStone Insurance Company	0.0%
0291	13016	AlleghenyPoint Insurance Company	0.0%

NOTES TO FINANCIAL STATEMENTS

B. Transactions

The intercompany transaction that resulted in the largest dollar impact was the initial pool realignment. Funds were transferred between the group companies to realign the pool to the new pooling percentages and participants and, in addition, ceding commissions were paid to those companies that had net ceding to the pool. The following summarizes the impact of those transactions which were settled between the companies in cash or the transfer of securities

NAIC Group Number (current)	NAIC Company Code	Company	Pool Realignment and Ceding Commission
0291	12372	BrickStreet Mutual Insurance Company	(178,305,954)
0291	14621	Motorists Mutual Insurance Company	108,799,539
0291	13331	Motorists Commercial Mutual Insurance Company	60,639,773
0291	10204	Consumers' Insurance Company	18,501,075
0291	19950	Wilson Mutual Insurance Company	10,433,122
0291	14338	Iowa Mutual Insurance Company	10,433,122
0291	23175	Phenix Mutual Fire Insurance Company	8,416,134
0291	15136	SummitPoint Insurance Company	(8,049,910)
0291	15137	PinnaclePoint Insurance Company	(8,460,105)
0291	31577	Iowa American Insurance Company	4,150,037
0291	13045	NorthStone Insurance Company	(24,094,301)
0291	13016	AlleghenyPoint Insurance Company	(2,462,532)

BrickStreet Mutual Insurance Company made capital contribution of $15 million to PinnaclePoint Insurance Company and $15 million to SummitPoint Insurance Company. The additional capital was necessary to meet the requirements of the Ohio Insurance Department for those companies to be accredited reinsurers.

Motorists Mutual Insurance Company provides temporary financing for a construction project undertaken by MIG Realty. The project is anticipated to cost $30 million. Permanent financing is anticipated to be obtained upon completion of construction.

Motorist Mutual Contributed addition capital to MIG Realty in the amount of $1 million.

In addition, Motorists Service Corporation borrowed $16,743,000 during 2017 from its parent through an intercompany loan agreement. The balances, which were both recorded by Motorists Mutual as non-admitted assets, were used to fund the subsidiary's development of software applications and services. Motorists Service Corporation has also initiated charges to Motorists Mutual for utilization of its developed software.

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.

C. Dollar Amounts of Transactions

See Note B.

D. Amounts Due From or To Related Parties

As of December 31, 2018, and 2017, the Company reported net amounts due from/(due to) affiliates of $10,791,772 and $1,717,709, respectively. All amounts were settled within 60 days.

E. Guarantees or Undertakings

The Company had no guarantees or undertakings for the benefit of an affiliate or related party that resulted in a material contingency exposure to the Company or any related parties during the periods reported.

F. Material Management or Service Contracts and Cost-Sharing Arrangements

See Note A

G. Nature of the Control Relationship

The Company is a mutual property/casualty insurer that controls its operations. As the lead Company of The Motorists Insurance Group, Motorists Mutual Insurance Company also controls its affiliated companies' operations through interlocking boards of directors.

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

The Company did not own any shares, directly or indirectly, of an upstream intermediate entity or ultimate parent during the periods reported.

I. Investments in SCA that Exceed 10% of Admitted Assets

The Company did not have any investments in subsidiary, controlled, or affiliated entities that exceed 10% of admitted assets during the periods reported.

J. Investments in Impaired SCAs

The Company did not recognize any impairment write-downs for investments in subsidiary, controlled, or affiliated entities during the periods reported.

K. Investment in Foreign Insurance Subsidiary

The Company did not have any investments in foreign insurance subsidiaries during the periods reported.

L. Investment in Downstream Noninsurance Holding Company

The Company did not have any investments in downstream non-insurance holding companies.

NOTES TO FINANCIAL STATEMENTS

M. All SCA Investments
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				
Motorists Service Corp	100.0%	$ 246,428	$	$ 246,428
Total SSAP No. 97 8b(ii) Entities	XXX	$ 246,428	$	$ 246,428
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 8b(i) entities) (b + c + d)	XXX	$ 246,428	$	$ 246,428
f. Aggregate Total (a + e)	XXX	$ 246,428	$	$ 246,428

(2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	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						
Motorists Service Corp	S1	12/22/2016	$ 246,428	Y	N	
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	$ 246,428	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
			$			
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 8b(i) entities) (b + c + d)	XXX	XXX	$ 246,428	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	$ 246,428	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing
** I – Immaterial or M – Material

N. Investment in Insurance SCAs
The Company did not hold any insurance SCA investments that departed from the NAIC statutory accounting practices and procedures.

O. SCA Loss Tracking
Not Applicable

Note 11 – Debt

A. Debt, Including Capital Notes

The Company has entered into two fixed rate advances from FHLB to use for vendor payments affiliated with our MIG Realty LLC construction project. An advance of $655,000 was taken on November 30, 2018, at a fixed rate of 2.40% for a 4 week period. An additional advance of $71,000 was added to the $655,000 on December 28, 2018, for a total of $726,000 at a fixed rate of 2.52%. No interest was charged in 2018. This was due to the timing of the first advance on the last day of the month in November and the interest for the total advance will be charged in January of 2019.

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the FHLB Agreement
The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati, Ohio. Through its membership the Company has access to cash advances in the amount of $50,000,000. The Company calculated this amount in accordance with current FHLB capital stock holdings and collateral. It is the Company's intent to use these funds as a backup source of liquidity.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	$	$	$
(b) Membership Stock – Class B	1,644,972	1,644,972	
(c) Activity Stock	29,040	29,040	
(d) Excess Stock	365,288	365,288	
(e) Aggregate Total (a+b+c+d)	$ 2,039,300	$ 2,039,300	$
(f) Actual or estimated borrowing capacity as determined by the insurer	$ 50,000,000	XXX	XXX

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	$	$	$
(b) Membership Stock – Class B	1,631,585	1,631,585	
(c) Activity Stock			
(d) Excess Stock	407,715	407,715	
(e) Aggregate Total (a+b+c+d)	$ 2,039,300	$ 2,039,300	$
(f) Actual or estimated borrowing capacity as determined by the insurer	$ 20,000,000	XXX	XXX

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

	1	2	Eligible for Redemption			
			3	4	5	6
Membership Stock	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	$	$	$	$	$	$
2. Class B	$ 1,644,972	$ 1,644,972	$	$	$	$

11B(2)b1 current year total (column 1) should equal 11B(2)a1(a) total (column 1).
11B(2)b2 current year total (column 1) should equal 11B(2)a1(b) total (column 1).

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	$ 55,254,014	$ 56,068,403	$ 726,000
2. Current Year General Account Total Collateral Pledged	55,254,014	56,068,403	726,000
3. Current Year Protected Cell Accounts Total Collateral Pledged			
4. Prior Year Total General and Protected Cell Accounts Total Collateral Pledged	$ 25,945,861	$ 24,836,433	$

11B(3)a1 (columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (columns 1, 2 and 3, respectively).
11B(3)a2 (columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (columns 1, 2 and 3, respectively).
11B(3)a3 (columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (columns 1, 2 and 3, respectively).
11B(3)a4 (columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (columns 1, 2 and 3, respectively).

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Protected Cell Accounts Maximum Collateral Pledged (Lines 2+3)	$ 55,254,014	$ 56,068,403	$ 726,000
2. Current Year General Account Maxiumu Collateral Pledged	55,254,014	56,068,403	726,000
3. Current Year Protected Cell Accounts Maxiumu Collateral Pledged			
4. Prior Year Total General and Protected Cell Accounts Maximum Collateral Pledged	$ 25,945,861	$ 24,836,433	$

NOTES TO FINANCIAL STATEMENTS

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	$ 726,000	$ 726,000	$	XXX
(b) Funding Agreements				$
(c) Other				XXX
(d) Aggregate Total (a+b+c)	$ 726,000	$ 726,000	$	$

2. Prior Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	$	$	$	XXX
(b) Funding Agreements				$
(c) Other				XXX
(d) Aggregate Total (a+b+c)	$	$	$	$

b. Maximum Amount During Reporting Period (Current Year)

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
1. Debt	$ 726,000	$ 726,000	$
2. Funding Agreements			
3. Other			
4. Aggregate Total (Lines 1+2+3)	$ 726,000	$ 726,000	$

11B(4)b4 (columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (columns 1, 2 and 3, respectively).

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

NOTES TO FINANCIAL STATEMENTS

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

A. Defined Benefit Plan

(1) Change in Benefit Obligation

	Overfunded		Underfunded	
	2018	2017	2018	2017
a. Pension Benefits				
1. Benefit obligation at beginning of year	$	$	$ 368,792,240	$ 320,535,985
2. Service cost				7,895,967
3. Interest cost			10,457,950	11,199,250
4. Contribution by plan participants				
5. Actuarial gain (loss)			(33,465,555)	58,708,710
6. Foreign currency exchange rate changes				
7. Benefits paid			286,865,358	14,721,433
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				14,826,239
10. Benefit obligation at end of year	$	$	$ 58,919,277	$ 368,792,240
	Overfunded		Underfunded	
b. Postretirement Benefits	2018	2017	2018	2017
1. Benefit obligation at beginning of year	$	$	$ 21,600,626	$ 13,904,718
2. Service cost			135,052	155,394
3. Interest cost			641,924	542,518
4. Contribution by plan participants			1,224,317	720,697
5. Actuarial gain (loss)			(2,458,866)	4,585,216
6. Foreign currency exchange rate changes				
7. Benefits paid			3,158,909	1,244,801
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				(2,936,884)
10. Benefit obligation at end of year	$	$	$ 17,984,144	$ 21,600,626
	Overfunded		Underfunded	
c. Special or Contractual Benefits per SSAP No. 11	2018	2017	2018	2017
1. Benefit obligation at beginning of year	$	$	$ 33,359,186	$ 27,952,352
2. Service cost				524,840
3. Interest cost			1,097,571	1,051,858
4. Contribution by plan participants				
5. Actuarial gain (loss)			(2,137,239)	1,079,954
6. Foreign currency exchange rate changes				
7. Benefits paid			1,178,872	1,078,348
8. Plan amendments				(3,828,530)
9 Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	$	$	$ 31,140,646	$ 33,359,186

(2) Change in Plan Assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Fair value of plan assets at beginning of year	$ 308,196,789	$ 281,601,955	$ 17,297,252	$ 15,490,088	$	$
b. Actual return on plan assets	(10,545,849)	38,316,267	(946,671)	2,290,027		
c. Foreign currency exchange rate changes						
d. Reporting entity contribution	32,000,000	3,000,000	1,805,987	41,241		
e. Plan participants' contributions			1,224,317	720,697		
f. Benefits paid	286,865,358	14,721,433	3,158,909	1,244,801		
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	$ 42,785,582	$ 308,196,789	$ 16,221,976	$ 17,297,252	$	$

NOTES TO FINANCIAL STATEMENTS

(3) Funded Status

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Components				
1. Prepaid benefit costs	$	$	$	$
2. Overfunded plans assets	$	$	$	$
3. Accrued benefit costs	$	$	$	$
4. Liability for pension benefits	$	$	$	$
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	$	$	$	$
2. Liabilities recognized	$ (16,133,695)	$ (60,595,451)	$ (1,762,168)	$ (4,303,374)
c. Unrecognized liabilities	$	$	$	$

(4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Service cost	$	$ 7,895,967	$ 135,052	$ 155,394	$	$ 524,840
b. Interest cost	10,457,950	11,199,250	641,924	542,518	1,097,571	1,051,858
c. Expected return on plan assets	(17,834,191)	(18,735,156)	(1,083,715)	(1,005,950)		
d. Transition asset or obligation		4,333				
e. Gains and losses	(5,085,515)	126,868,364	(428,480)	4,732,426	(2,137,239)	9,511,158
f. Prior service cost or credit		6,624	(291,887)	(291,887)		90,467
g. Gain or loss recognized due to a settlement curtailment		8,880,429		2,936,884		5,087,737
h. Total net periodic benefit cost	$ (12,461,756)	$ 136,119,811	$ (1,027,106)	$ 7,069,385	$ (1,039,668)	$ 16,266,060

(5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Items not yet recognized as a component of net periodic cost – prior year	$	$ 111,458,390	$ (1,469,483)	$ (330,083)
b. Net transition asset or obligation recognized		(34,668)		
c. Net prior service cost or credit arising during the period				
d. Net prior service cost or credit recognized		(55,509)	291,887	291,887
e. Net gain and loss arising during the period			(428,480)	3,301,139
f. Net gain and loss recognized		(111,368,213)	428,480	(4,732,426)
g. Items not yet recognized as a component of net periodic cost – current period	$	$	$ (1,177,596)	$ (1,469,483)

(6) Amounts in Unassigned Funds (Surplus) Expected to be Recognized in the Next Fiscal Year as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Net transition asset or obligations	$	$ 34,668	$	$
b. Net prior service cost or credit	$	$ 55,509	$ (291,887)	$ (291,887)
c. Net recognized gains and losses	$	$	$	$

(7) Amounts in Unassigned Funds (Surplus) that have not yet been Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Net transition asset or obligations	$	$	$	$
b. Net prior service cost or credit	$	$	$ (1,177,596)	$ (1,469,483)
c. Net recognized gains and losses	$	$	$	$

NOTES TO FINANCIAL STATEMENTS

(8) Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost as of December 31

	2018	2017
a. Weighted-average discount rate	3.5%	4.4%
b. Expected long-term rate of return on plan assets	6.6%	6.6%
c. Rate of compensation increase	N/A%	3.0%
Weighted-average assumptions used to determine projected benefit obligations as of December 31		
d. Weighted-average discount rate	4.2%	3.5%
e. Rate of compensation increase	N/A%	3.0%

The Company has three retiree medical plan options. For measurement purposes, the 2018 assumed annual rate of increase in the per capital cost of covered health care benefits was 7.23% for retirees under age 65, 8.6% for retirees 65 and older not in the MAPD plan, and 3.0% for retirees 65 and older in the MAPD Plan. The rate was assumed to decrease over time until an ultimate increase rate of 4.5% is attained in 2026 for retirees other than those covered by the MAPD Plan.

(9) Accumulated Benefit Obligation for Defined Benefit Pension Plans
The amount of accumulated benefit obligation for defined benefit pension plans as of December 31, 2018 and 2017 was $58,919,277 and $368,792,240, respectively.

(10) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)
Employer retiree healthcare costs assume a 3% increase for all future years to reflect the maximum employer increase in premiums.

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	$ 10,278	$ (9,481)
b. Effect on postretirement benefit obligation	$ 199,080	$ (187,689)

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:

Year(s)	Amount
a. 2019	$ 4,319,015
b. 2020	$ 4,389,572
c. 2021	$ 5,139,327
d. 2022	$ 5,254,926
e. 2023	$ 5,412,038
f. 2024 through 2028	$ 29,653,504

(13) Estimate of Contributions Expected to be Paid to the Plan
In 2019, the Company intends to make contributions to the pension plan, postretirement plan and postemployment plans in the amounts of $5,000,000, $97,208 and $1,506,508, respectively.

(14) Amounts and Types of Securities Included in Plan Assets
As of December 31, 2018, none of the Company's securities or those of related parties were included in plan assets. The Company or related parties did not issue insurance contracts covering plan participant benefits, and there were not any significant transactions between the plan and the Company or related parties during the period.

(15) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses
The Company did not use an alternate amortization method to amortize prior service amounts. Beginning in 2017, the Company moved to a mark-to-market approach for recognizing net gains and losses.

(16) Substantive Comment Used to Account for Benefit Obligation
The Company did not use any substantive commitments as a basis for accounting for the benefit obligations.

(17) Cost of Providing Special or Contractual Termination Benefits Recognized
On November 20, 2018, the Company purchased an annuity contract for a select group of retirees. The transaction resulted in a reduction in the plan's benefit obligation and assets of $251,779,292. A return of assets of $3,513,545 was received in 2019 due to the original asset transfer being overstated.

(18) Significant Change in the Benefit Obligation or Plan Assets
All significant changes in the Company's benefit obligation and assets are presented in the disclosure.

(19) Amount and Time Plan Assets Expected to be Returned
The Company expects a return of assets of $3,513,545 to the pension plan as the original transfer for assets was overstated.

(20) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans
The company's obligation and liability components as of December 31, 2018 are presented below:

	Pension Benefits	Postretirement Benefits	Postemployment Benefits
Benefit Obligation	$ 58,919,277	$ 17,297,252	$ 31,140,646
SSAP 92/102 Deferral	$ -		
Adjusted Benefit Obligation	$ 58,919,277	$ 17,297,252	$ 31,140,646
Plan Assets	$ 42,785,582	$ 16,221,978	
Unfunded Liability	$ 16,133,695	$ 1,075,274	$ 31,140,646

(21) Full Transition Surplus Impact of SSAP 102
The Company adopted SSAP No. 92, Accounting for Postretirement Benefits Other than Pensions and SSAP No. 102, Accounting for Pensions as of January 31, 2013 and elected to recognize the surplus impact using the deferral method. As of December 31, 2018, there was no remaining transition liability. The components of the guidance impact are as follows:

	Pension Benefits	Postretirement Benefits	Postemployment Benefits
Initial Transition Liability	$ 20,075,042	$ 14,578,265	$ 2,672,574
Transition Liability as of December 31, 2018	$ -	$ -	$ -
Anticipated recognition of transition liability	$ -	$ -	$ -

B. Investment Policies and Strategies

The policy, as established by the Qualified Benefit Plans Committee, is to invest assets per the target allocations stated below. The assets will be reallocated periodically. The investment policy will be reviewed periodically, under the advisement of a certified investment advisor, to determine if the policy should be revised due to changes in factors including, but not limited to, funded ratio and discount rate changes, available asset classes, or market conditions. Allowable assets include, but are not limited to, cash equivalents fixed income securities, equity holdings, exchange traded index funds, and GICs.

Plan Assets	Allowable Allocation Range
Equity Securities	30-59%
Debt Securities	41-70%
Real Estate	0%
Other	0%

C. Fair Value of Plan Assets

(1) Fair Value Measurements of Plans Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Pension Plan	$	$	$	$
Cash and Cash Equivalents	$ 224,511	$	$	$ 224,511
Domestic Small Cap Equities (S&P 500)	$ 3,313,536	$	$	$ 3,313,536
Domestic Large Cap Equities (S&P 500)	$ 3,302,186	$	$	$ 3,302,186
TIPS ETF	$ 1,186,431	$	$	$ 1,186,431
International Equities	$ 2,729,353	$	$	$ 2,729,353
Separate Accounts/ Commingled Funds	$	$ 31,908,868	$	$ 31,908,868
Total Pension Plan Assets	$ 10,756,017	$ 31,908,868	$	$ 42,664,885
	$	$	$	$
Postretirement Plan	$	$	$	$
Cash and Cash Equivalents	$ 31,896	$	$	$ 31,896
Domestic Small Cap Equities (S&P 500)	$ 703,755	$	$	$ 703,755
Domestic Large Cap Equities (S&P 500)	$ 1,708,472	$	$	$ 1,708,472
TIPS ETF	$ 505,608	$	$	$ 505,608
International Equities	$ 1,337,905	$	$	$ 1,337,905
Separate Accounts/ Commingled Funds	$	$ 12,341,019	$	$ 12,341,019
Total Postretirement Plan Assets	$ 4,287,636	$ 12,341,019	$	$ 16,628,655

D. Basis Used to Determine Expected Long-Term Rate-of-Return

The expected long-term rate of return for the plan's total assets is based on the expected return of each category, weighted based on the median of the target allocation for each class.

E. Defined Contribution Plans

The Company sponsored a defined contribution savings plan for the benefit of substantially all associates during the periods reported. The Company contributed up to a maximum of 7% and 3% of each associate's compensation in 2018 and 2017, respectively. Company contributions to the plan were $ 6,858,976 and $1,457,129 for 2018 and 2017, respectively. In addition, the Company made a special contribution totaling $8,451,925 in 2017 in connection with the pension plan change noted above.

F. Multiemployer Plans

The company did not participate in any multi-employer plans during the period reported.

NOTES TO FINANCIAL STATEMENTS

G. Consolidated/Holding Company Plans

The company's subsidiaries and affiliates participated in defined benefit plans sponsored by the company during the years reported. Plan costs were allocated to the participating affiliates and subsidiaries based on cost sharing and/or intercompany pooling arrangements. See Note 2 for periodic pension plan costs and mark-to-market adjustments for the company and its property/casualty affiliates.

H. Postemployment Benefits and Compensated Absences

The Company's financial records include adequate accruals for all postemployment benefit obligations and compensated absences.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

The Company first measured the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, on postretirement benefits as of January 1, 2004.The results of that measurement were included in the Company's 2004 financial records. The Act had no impact on the statutory expense for the periods reported.

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

(1) Number of Share and Par or State Value of Each Class
Not Applicable

(2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
Not Applicable

(3) Dividend Restrictions
Not Applicable

(4) Dates and Amounts of Dividends Paid
Not Applicable

(5) Profits that may be Paid as Ordinary Dividends to Stockholders
Not Applicable

(6) Restrictions Plans on Unassigned Funds (Surplus)
There are no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) Amount of Advances to Surplus not Repaid
Not Applicable

(8) Amount of Stock Held for Special Purposes
Not Applicable

(9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period
Not Applicable

(10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: $14,890,702.

(11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations
Not Applicable

(12) The impact of any restatement due to prior quasi-reorganizations is as follows
Not Applicable

(13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
Information concerning quasi-reorganization is not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

(1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: $8,357,460.

(2) Detail of other contingent commitments

Nature and Circumstances of Guarantee and Key Attributes, Including Date and Duration of Agreement	Liability Recognition of Guarantee, (Including Amount Recognized at Inception. If no Initial Recognition, Document Exception Allowed Under SSAP No. 5R)	Ultimate Financial Statement Impact if Action under the Guarantee is Required	Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor could be Required to make under the Guarantee. If unable to Develop an Estimate, this Should be Specifically Noted	Current Status of Payment or Performance Risk of Guarantee. Also Provide Additional Discussion as Warranted
Commercial bank loan guarantee for five agencies with various terms, extending to 2028	$	Increase in miscellaneous expense	$ 1,982,236	All loans are current in payments of principal and interest. The likelihood of the company having to make any payments is remote.
Aberdeen Institutional Commingled Funds, LLC	$	Increase in other invested assets	$	All current capital calls have been funded.
Adams Street 2012 Global Fund LP	$	Increase in other invested assets	$ 3,305,600	All current capital calls have been funded.
HarbourVest Partners, LLC	$	Increase in other invested assets	$ 2,857,124	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	$	Increase in other invested assets	$ 212,500	All current capital calls have been funded.
Total	$	XXX	$ 8,357,460	XXX

(3) Guarantee Obligations

a.	Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal the total of column 4 for (2) above.)	$ 8,357,460
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	6,375,224
	3. Dividends to stockholders (capital contribution)	
	4. Expense	1,982,236
	5. Other	
	6. Total (should equal (3)a)	$ 8,357,460

B. Assessments

(1) Nature of Any Assets That Could Have a Material Financial Effect
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 $122,286 and $111,971 for the years ended December 31, 2018, and 2017, respectively. The company's net accrued liabilities for guaranty funds were $486,019 and $540,626 as of December 31, 2018 and 2017, 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
Not Applicable

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 uncollectable receivable balances is not material to the Company's financial position. Premium balances over 90 days past due are recorded as nonadmitted assets.

Note 15 – Leases

A. Lessee Operating Lease

(1) Lessee's Leasing Arrangements

a. Rental Expense

The Company leases computer-related equipment under various operating lease arrangements and entered into various agreements for information technology-related services through December 2024. The expenses for the years ended December 31, 2018 and 2017 were $26,898,159 and $16,358,396, respectively.

(2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year

a. At December 31, 2018 the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases	
1. 2019	$	25,066,402
2. 2020	$	13,163,646
3. 2021	$	8,336,875
4. 2022	$	7,869,031
5. 2023	$	5,704,000
6. Total	$	60,139,954

(3) The Company was not involved in sale-leaseback transactions during the peiods reported.

B. The Company leased office space in its home office building to non-affiliated parties during the periods reported. This was not a significant part of the Company's business activities.

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

1-2. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:
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 rom these cash deposits by monitoring the financial stability of the financial institutions involved and through 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 of 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.

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

A. Transfers of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

Not Applicable

C. Wash Sales

Not Applicable

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

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

Note 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.

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

SSAP No. 100, Fair Value Measurements, clarifies the definition of estimated fair value and establishes a hierarchy for measuring estimated fair value. The hierarchy established by this standard consists of three levels to indicate the quality of the estimated fair value measurements as described below:

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: Unadjusted quoted prices for identical assets or liabilities in active markets that are readily and regularly obtainable.

Level 2 - Significant Other Observable Inputs: Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar but not identical assets or liabilities other than quoted prices in Level 1.

Level 3 - Significant Unobservable Inputs: Unobservable inputs that are supported by little or no market activity and are significant to the determination of estimated fair value of assets or liabilities. Unobservable inputs reflect the entity's assumptions about the assumptions that market participants would use in pricing the asset or liability.

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Common Stock, Industrial and Misc	$ 156,349,303	$	$ 3,505,635	$	$ 159,854,938
Parents, Subsidiaries and Affiliates	$	$	$ 94,191,032	$	$ 94,191,032
Other invested assets	$	$	$ 85,488,408	$	$ 85,488,408
Total	$ 156,349,303	$	$ 183,185,076	$	$ 339,534,379
Liabilities at Fair Value					
	$	$	$	$	$
Total	$	$	$	$	$

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3. The Company had no transfers into or out of any of the levels during the current quarter..

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

Description	Beginning Balance at 1/1/2018	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	Settle-ments	Ending Balance at 12/31/2018
a. Assets										
Common Stock, Industrial and Misc	$ 3,542,856	$	$	$ -	$ 139,070	$ -	$ -	$ (176,290)	$	$ 3,505,635
Parents, Subsidiaries and Affiliates	$100,091,524	$	$	$ -	$ (13,400,491)	$ 7,500,000	$ -	$ -	$	$ 94,191,032
Other invested assets	$ 88,213,628	$	$	$ (64,852)	$ (3,835,810)	$ 4,123,216	$	$ (2,947,774)	$	$ 85,488,408
Total	$191,848,007	$	$	$ (64,852)	$ (17,097,232)	$11,623,216	$	$ (3,124,064)	$	$ 183,185,076
b. Liabilities										
	$	$	$	$	$	$	$	$	$	$
Total	$	$	$	$	$	$	$	$	$	$

(3) Policies when Transfers Between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3. The Company had no transfers into or out of any of the levels during the current quarter.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Not Applicable

(5) Fair Value Disclosures

Not Applicable

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not Applicable

NOTES TO FINANCIAL STATEMENTS

C. Fair Value Level

The following tables reflect the estimated fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The estimated fair values are categorized into the three-level fair value hierarchy as described above.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$ 653,518,701	$ 654,241,684	$ -	$ 653,518,701	$ -	$	$
Common Stock	$ 254,045,970	$ 253,799,543	$ 156,349,303	$ -	$ 97,696,667	$	$
Other invested assets	$ 138,752,460	$ 104,486,783	$ -	$ -	$ 85,488,408	$	$ 53,264,051

Bonds and Common Stocks

When available, the estimated fair values for bonds, including loan-backed and structured securities,and unaffiliated common stocks are based on quoted prices in active markets that are readily and regularly obtainable. Generally, these investments are classified in Level 1. Generally, these are the most liquid of the Company's securities holdings and valuation of these securities does not involve management's judgment.

When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, giving priority to observable inputs. The significant inputs to the market standard valuation methodologies for certain types of securities with reasonable levels of price transparency are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Generally, these investments are classified as Level 2.

When observable inputs are not available, the market standard valuation methodologies for determining the estimated fair value of certain types of securities that trade infrequently, and therefore have little or no price transparency, rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from or corroborated by observable market data. These unobservable inputs can be based in large part on management's judgment or estimation, and cannot be supported by reference or market activity. Even though these inputs are unobservable, management believes they are consistent with what other market participants would use when pricing such securities and are considered appropriate given the circumstances. Generally, these investments are classified as Level 3.

Other Invested Assets

Other invested assets were valued using equity statements from the respective fund managers.

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Low Income Housing	$ 1,508,081	N/A		Asset is not a marketable financial instrument
Surplus Notes	$ 16,000,000	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 235,495	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 84,649	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 73,273	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 46,005	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 19,086	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 12,978	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 7,033	Variable		Asset is not a marketable financial instrument
1 Agency Loan	$ 3,575	Variable		Asset is not a marketable financial instrument
Independent Agency Investment	$ 1,008,199	Variable		Asset is not a marketable financial instrument
Intercompany Loan	$ 34,265,677	Variable		Asset is not a marketable financial instrument

E. NAV Practical Expedient Investments

Not Applicable

Note 21 – Other Items

A. Unusual or Infrequent Items
On November 20, 2018, the Company purchased an annuity contract for a select group of retirees. Please see Note 12 for more detailed information.

B. Troubled Debt Restructuring Debtors
The Company did not have any transactions related to troubled debt restructuring during the periods reported.

C. Other Disclosures
The Company elected to use rounding in the reporting of amounts in this statement.

NOTES TO FINANCIAL STATEMENTS

D. Business Interruption Insurance Recoveries
There were no business interruption insurance recoveries received during the periods reported.

E. State Transferable and Non-Transferable Tax Credits
(1) Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total
Not Applicable

Description of State Transferable and Non-Transferable Tax Credits	State	Carrying Value	Unused Amount
		$	$
Total		$	$

(2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits
Not Applicable

(3) Impairment Loss
Not Applicable

(4) State Tax Credits Admitted and Nonadmitted
Not Applicable

	Total Admitted	Total Nonadmitted
a. Transferable	$	$
b. Non-Transferable	$	$

Not Applicable

F. Subprime Mortgage Related Risk Exposure

(1) Description of the Subprime-Mortgage-Related Exposure and Related Risk Management Policies

The definition of "subprime" is necessarily broad and intended to encompass both Alt-A and subprime. Corporate and equity securities (such as banks and investment banks), which may have underlying subprime exposure, are not included. The company's categorization of CMBS reflects securities backed by commercial real estate. Therefore, these securities are not included in the reported figures.

The company's portfolio managers monitor the collateral every month in order to determine whether the collateral pools have detoriated. Credit support levels provide a basis for the deal tranches the company owns. Anticipated lifetime losses are used to determine deal underperformance.

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

(3) Direct Exposure Through Other Investments

Not Applicable

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

Management of Risk Related to	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
(1) Directly-Written Insurance Risks		
a. ILS Contracts as Issuer		$
b. ILS Contracts as Ceding Insurer		
c. ILS Contracts as Counterparty		
(2) Assumed Insurance Risks		
a. ILS Contracts as Issuer		$
b. ILS Contracts as Ceding Insurer		
c. ILS Contracts as Counterparty		

NOTES TO FINANCIAL STATEMENTS

Note 22 – Events Subsequent

No subsequent events existed.

Subsequent events have been considered through February 28, 2019 for these statutory financial statements which are to be issued on March 1, 2019.

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? Yes [ ] No [X]

		2018	2017
B.	ACA fee assessment payable for the upcoming year	$	$
C	ACA fee assessment paid	$	$
D.	Premium written subject to ACA 9010 assessment	$	$
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 28)	$ 453,150,090	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	$ 453,150,090	
G.	Authorized control level (Five-Year Historical Line 29)	$ 65,750,830	

H. Would reporting the ACA assessment as of December 31, 2018 have triggered an RBC action level (YES/NO)? Yes [ ] No [X]

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

	NAIC Group Code	FEIN	Unsecured Recoverables
Motorists Commercial Mutual Ins Company	13331	41-0299900	$ 21,912,035
Iowa Mutual Insurance Company	14338	42-0333120	$ 35,470,918
Iowa American Insurance Company	31577	42-1019089	$ 12,519,148
Consumers Insurance USA Inc	10204	62-1590861	$ 43,817,017
Phenix Mutual Fire Insurance Company	23175	02-0178290	$ 33,384,394
Wilson Mutual Insurance Company	19950	39-0739760	$ 35,470,918
BrickStreet Mutual Insurance Company	12372	20-2394166	$ 1,000,531,815
PinnaclePoint Insurance Company	15137	46-1783383	$ 16,692,197
SummitPoint Insurance Company	15136	46-179572	$ 16,692,197

B. Reinsurance Recoverable in Dispute

As of December 31, 2018, the Company did not have any reinsurance receivables in dispute from any other one reinsurer that exceeded 5% of policyholders surplus.

C. Reinsurance Assumed and Ceded

(1) Maximum Amount of Return Commission

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	$ 292,900,208	$ 53,595,996	$ 325,504,462	$ 71,262,579	$ (32,604,253)	$ (17,666,583)
b.	All Other	2,643,281	428,602	2,016,304		626,977	428,602
c.	Total	$ 295,543,490	$ 54,024,598	$ 327,520,766	$ 71,262,579	$ (31,977,276)	$ (17,237,981)

d.	Direct Unearned Premium Reserves	$ 187,988,290

(2) Additional or Return Commission

		Direct	Assumed	Ceded	Net
a.	Contingent commission	$ 7,896,873	$ 6,561,889	$ 9,774,123	$ 4,684,639
b.	Sliding scale adjustments				
c.	Other profit commission arrangements				
d.	Total	$ 7,896,873	$ 6,561,889	$ 9,774,123	$ 4,684,639

(3) Types of Risks Attributed to Protected Cell

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 Rating 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.

Note 24 – Retrospectively Rated Contracts and 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

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions
Yes [ ] No [X]

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue 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

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for the Company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect favorable development totaling $43,171,068. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the workers' compensation, products liability, private passenger auto liability, commercial auto liability, auto physical damage, and homeowners lines of business. The favorable development in these lines was slightly offset by losses in the other liability and commercial multiple peril lines of business. The changes reflected in these lines were generally the result of recent development trends. There were not any premium adjustments made as a result of this loss and loss adjustment expense development.

B. Information about Significant Changes in Methodologies and Assumptions

There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expense.

NOTES TO FINANCIAL STATEMENTS

Note 26 – Intercompany Pooling Arrangements

A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

Lead Entity and all Affiliated Entities	NAIC Company Code	Pooling Percentage
Motorists Mutual Insurance Company (Lead Entity)	14621	32.4%
BrickStreet Mutual Insurance Company	12372	48.0%
Motorists Commercial Mutual Insurance Company	13331	10.3%
Consumers Insurance USA, Inc.	10204	2.1%
Iowa Mutual Insurance Company	14338	1.7%
Wilson Mutual Insurance Company	19950	1.7%
Phenix Mutual Fire Insurance Company	23175	1.6%
PinnaclePoint Insurance Company	15137	0.8%
SummitPoint Insurance Company	15136	0.8%
Iowa American Insurance Company	31577	0.6%
MICO Insurance Company	40932	0%
NorthStone Insurance Company	13045	0%
AlleghanyPoint Insurance Company	13016	0%

B. Description of Lines and Types of Business Subject to the Pooling Agreement
The pooling arrangement covered premiums, losses and underwirting expenses for all lines during the year. Related finance and service charge income, agent and premium blance charge-offs, deificiency reserves, and poliyholder dividends were also subject to the pooling arrangement

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement
Each Company recognized facultative and treaty reinsurance cessions with unaffiliated reinsurers prior to the administratation of the intercompany pooling agreement.

D-E. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers
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.

F. Description of Intercompany Sharing
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.

G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool
As of December 31, 2018, the Company reported an aggregate pooling-related balance of $8,220,361 receivable from the other pool participants. The balances due to/from each of the other participants are listed below:

	Receivables/(Payables)	
Motorists Mutual Insurance Company	$	8,220,361
BrickStreet Mutual Insurance Company	$	(3,766,583)
Motorists Commercial Mutual Insurance Company	$	(265,706)
Iowa Mutual Insurance Company	$	(2,255,103)
Wilson Mutual Insurance Company	$	(1,130,251)
Phenix Mutual Fire Insurance Company	$	(2,074,915)
PinnaclePoint Insurance Company	$	594,912
SummitPoint Insurance Company	$	(530,029)
Consumers Insurance USA, Inc.	$	(321,628)
Iowa American Insurance Company	$	1,259,778
MICO Insurance Company	$	(381)
NorthStone Insurance Company	$	(365,206)
AlleghanyPoint Insurance Company	$	634,753

Note 27 – Structured Settlements

A. Reserves No Longer Carried

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
$ 3,964,724	$ 3,869,807

B. Annuities Which Equal or Exceed 1% of Policyholders' Surplus

As of December 31, 2018, there were not any amounts in excess of 1% of the company's surplus due for annuities from any one life insurance company associated with purchased annuities for which the company did not receive a release of liability from the claimant.

Note 28 – Health Care Receivables

A. Pharmaceutical Rebate Receivables

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

NOTES TO FINANCIAL STATEMENTS

Note 29 – Participating Policies

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

Note 30 – Premium Deficiency Reserves

As of December 31, 2018 the Company reported no premium deficiency reserves.

1. Liability carried for premium deficiency reserve: $0
2. Date of most recent evaluation of this liability: January 4, 2019
3. Was anticipated investment income utilized in the calculation? Yes [X] No [ ]

Note 31 – High Deductibles

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

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

A. Tabular Discount

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

Note 33 – Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

Yes

(1) Direct

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 4,164,623	$ 3,959,106	$ 3,699,236	$ 3,622,877	$ 3,425,381
b. Incurred losses and loss adjustment expense	348,502	176,950	449,419	168,263	(227,991)
c. Calendar year payments for losses and loss adjustment expenses	554,019	436,820	525,778	365,759	231,268
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 3,959,106	$ 3,699,236	$ 3,622,877	$ 3,425,381	$ 2,966,122

(2) Assumed Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 915,319	$ 833,091	$ 792,704	$ 712,478	$ 1,067,854
b. Incurred losses and loss adjustment expense	(24,319)	(150)	3,719	440,916	(215)
c. Calendar year payments for losses and loss adjustment expenses	57,909	40,237	83,945	85,540	33,384
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 833,091	$ 792,704	$ 712,478	$ 1,067,854	$ 1,034,255

(3) Net of Ceded Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 5,033,847	$ 4,739,223	$ 4,484,888	$ 4,331,050	$ 4,484,929
b. Incurred losses and loss adjustment expense	267,292	179,396	454,964	604,732	(231,072)
c. Calendar year payments for losses and loss adjustment expenses	561,916	433,731	608,802	450,853	263,157
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 4,739,223	$ 4,484,888	$ 4,331,050	$ 4,484,929	$ 3,990,700

B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE)

(1) Direct basis	$ 2,753,053
(2) Assumed reinsurance basis	785,479
(3) Net of ceded reinsurance basis	$ 3,530,020

NOTES TO FINANCIAL STATEMENTS

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and IBNR)

(1) Direct basis	$	193,843
(2) Assumed reinsurance basis		44,493
(3) Net of ceded reinsurance basis	$	234,080

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?

The Company had exposure to environmental losses during the periods reported. Direct exposure arose from the sale of general liability, commercial auto liability, and homeowners 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 the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from unaffiliated reinsurance assumed operations.

(1) Direct

	2014	2015	2016	2017	2018
a. Beginning reserves	$ 1,688,687	$ 1,370,164	$ 1,471,929	$ 1,418,652	$ 1,630,273
b. Incurred losses and loss adjustment expense	(86,650)	178,295	77,784	338,690	(214,614)
c. Calendar year payments for losses and loss adjustment expenses	231,873	76,530	131,061	127,069	148,305
d. Ending reserves	$ 1,370,164	$ 1,471,929	$ 1,418,652	$ 1,630,273	$ 1,267,354

(2) Assumed Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves	$ 151,715	$ 164,867	$ 98,082	$ 95,360	$ 156,933
b. Incurred losses and loss adjustment expense	21,603	(34,508)	10,726	81,213	88,629
c. Calendar year payments for losses and loss adjustment expenses	8,451	32,277	13,448	19,640	17,226
d. Ending reserves	$ 164,867	$ 98,082	$ 95,360	$ 156,933	$ 228,336

(3) Net of Ceded Reinsurance

	2014	201	2016	2017	2018
a. Beginning reserves	$ 1,811,787	$ 1,492,516	$ 1,550,124	$ 1,501,697	$ 1,733,638
b. Incurred losses and loss adjustment expense	(79,748)	167,641	91,776	368,366	(179,156)
d. Calendar year payments for losses and loss adjustment expenses	239,523	110,033	140,203	136,425	163,023
d. Ending reserves	$ 1,492,516	$ 1,550,124	$ 1,501,697	$ 1,733,638	$ 1,391,459

E. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE)

(1) Direct basis	$	1,095,069
(2) Assumed reinsurance basis		164,244
(3) Net of ceded reinsurance basis	$	1,167,633

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR)

(1) Direct basis	$	445,575
(2) Assumed reinsurance basis		67,235
(3) Net of ceded reinsurance basis	$	466,970

Note 34 – Subscriber Savings Accounts

Information concerning subscriber savings accounts is not applicable

Note 35 – Multiple Peril Crop Insurance

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

Note 36 – Financial Guaranty Insurance

A. Financial Guaranty Insurance Contracts

(1) Financial guarantee insurance contracts where premiums are received as installment payments over the period of the contract, rather than at inception: The Company did not write financial guaranty insurance during the periods reported.