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ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

Safe Auto Insurance Company

NAIC Group Code..... 0, 0 (Current Period) (Prior Period) NAIC Company Code..... 25405 Employer's ID Number..... 31-1379882

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

Incorporated/Organized..... May 28, 1993 Commenced Business..... August 25, 1993

Statutory Home Office	4 Easton Oval .. Columbus .. OH .. .. 43219 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	4 Easton Oval .. Columbus .. OH .. .. 43219 *(Street and Number) (City or Town, State, Country and Zip Code)*	614-231-0200 *(Area Code) (Telephone Number)*
Mail Address	4 Easton Oval .. Columbus .. OH .. .. 43219 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	4 Easton Oval .. Columbus .. OH .. .. 43219 *(Street and Number) (City or Town, State, Country and Zip Code)*	614-231-0200 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.safeauto.com	
Statutory Statement Contact	Thomas Happensack *(Name)*	614-944-7680 *(Area Code) (Telephone Number) (Extension)*
	thomas.happensack@safeauto.com *(E-Mail Address)*	614-559-5357 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Ronald H Davies	Chief Executive Officer & President	2. Kelly A Armstrong	Chief Legal Officer & Secretary
3. Gregory A Sutton	Chief Financial Officer & Treasurer	4. Thomas J Happensack	Controller

OTHER

Mark LeMaster	Claims Leader	Evan McKee	Product Leader
Partha Srinivasa	Chief Information Officer	Charles Kordes	Customer Demand & Experience Leader

DIRECTORS OR TRUSTEES

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

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

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

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

Subscribed and sworn to before me
This 25th day of February 2019

Katelyn Moran

KATELYN MORAN - NOTARY PUBLIC
MY COMMISSION EXPIRES 01-11-2021
STATE OF OHIO

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

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ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	219,709,573		219,709,573	228,236,857
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	689,500		689,500	689,500
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.........0 encumbrances)	25,358,237		25,358,237	27,240,219
4.2 Properties held for the production of income (less $.........0 encumbrances)			0	
4.3 Properties held for sale (less $.........0 encumbrances)			0	
5. Cash ($.....9,350,034, Schedule E-Part 1), cash equivalents ($.....1,920,327, Schedule E-Part 2) and short-term investments ($.........0, Schedule DA)	11,270,360		11,270,360	13,377,308
6. Contract loans (including $.........0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	15,261,015		15,261,015	13,897,140
9. Receivables for securities			0	3,359,668
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	272,288,685	0	272,288,685	286,800,692
13. Title plants less $.........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	1,612,124		1,612,124	1,819,439
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	18,162,168		18,162,168	18,390,607
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.........0 earned but unbilled premiums)	54,829,602		54,829,602	53,184,827
15.3 Accrued retrospective premiums ($.........0) and contracts subject to redetermination ($.........0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	4,589,803		4,589,803	3,561,973
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	4,752,885	3,418,632	1,334,253	2,101,026
21. Furniture and equipment, including health care delivery assets ($.........0)	607,814	607,814	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	6,937,976		6,937,976	431,686
24. Health care ($.........0) and other amounts receivable			0	
25. Aggregate write-ins for other-than-invested assets	16,665,102	1,037,447	15,627,655	16,088,513
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	380,446,159	5,063,893	375,382,266	382,378,764
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	380,446,159	5,063,893	375,382,266	382,378,764

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Corporate owned life insurance	7,251,606		7,251,606	7,950,487
2502. Deferred compensation life insurance	8,251,254		8,251,254	7,130,060
2503. Prepaid expenses	979,506	979,506	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	182,736	57,941	124,795	1,007,966
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	16,665,102	1,037,447	15,627,655	16,088,513

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	109,415,119	99,860,889
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	7,914	258,116
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	20,073,282	22,191,924
4.	Commissions payable, contingent commissions and other similar charges	53,934	82,873
5.	Other expenses (excluding taxes, licenses and fees)	19,893,508	20,053,445
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	5,406,975	5,718,472
7.1	Current federal and foreign income taxes (including $..........0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $..........0 and including warranty reserves of $..........0 and accrued accident and health experience rating refunds including $..........0 for medical loss ratio rebate per the Public Health Service Act)	94,030,975	92,038,096
10.	Advance premium	30,426	47,715
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated	5,371	4,762
16.	Provision for reinsurance (including $...........0 certified) (Schedule F, Part 3, Column 78)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	15,224,292	2,376,481
20.	Derivatives		
21.	Payable for securities		1,109,450
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $...........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	2,634,592	1,931,290
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	266,776,388	245,673,513
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	266,776,388	245,673,513
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	2,500,000	2,500,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other-than-special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	54,400,000	54,400,000
35.	Unassigned funds (surplus)	51,705,878	79,805,251
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	108,605,878	136,705,251
38.	TOTAL (Page 2, Line 28, Col. 3)	375,382,266	382,378,764

DETAILS OF WRITE-INS

2501.	Funds set aside for escheatment	2,434,592	1,931,290
2502.	Market conduct reserve	200,000	
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,634,592	1,931,290
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	385,295,598	346,650,682
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	217,625,154	199,731,408
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	34,481,121	35,073,230
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	135,393,655	119,930,730
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	387,499,930	354,735,368
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(2,204,332)	(8,084,686)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,651,271	7,499,365
10.	Net realized capital gains (losses) less capital gains tax of $.....(157,821) (Exhibit of Capital Gains (Losses))	(593,048)	8,784,518
11.	Net investment gain (loss) (Lines 9 + 10)	7,058,223	16,283,883
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $..........0 amount charged off $.....7,359,862)	(7,359,862)	(7,547,527)
13.	Finance and service charges not included in premiums	28,561,015	27,517,902
14.	Aggregate write-ins for miscellaneous income	4,358,997	10,688,157
15.	Total other income (Lines 12 through 14)	25,560,150	30,658,532
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	30,414,041	38,857,728
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	30,414,041	38,857,728
19.	Federal and foreign income taxes incurred	7,866,093	5,034,826
20.	Net income (Line 18 minus Line 19) (to Line 22)	22,547,948	33,822,902
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	136,705,251	164,738,534
22.	Net income (from Line 20)	22,547,948	33,822,902
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....232,766	875,643	(6,406,340)
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	1,260,583	(6,542,639)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	1,039,356	1,666,647
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from Protected Cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(53,822,902)	(50,573,853)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(28,099,373)	(28,033,283)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	108,605,878	136,705,251

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401.	Miscellaneous income	313,704	643,637
1402.	Lead Fee Income	5,731,663	4,431,435
1403.	Change in Cash Surrender Value of Life Insurance	(1,686,370)	1,613,085
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	4,000,000
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	4,358,997	10,688,157
3701.			
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	385,854,853	350,128,587
2.	Net investment income	10,246,438	9,899,067
3.	Miscellaneous income	25,560,150	30,658,532
4.	Total (Lines 1 through 3)	421,661,441	390,686,186
5.	Benefit and loss related payments	208,321,126	202,154,066
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	172,493,788	146,348,001
8.	Dividends paid to policyholders	7,866,093	
9.	Federal and foreign income taxes paid (recovered) net of $.....157,821 tax on capital gains (losses)	(157,821)	8,789,962
10.	Total (Lines 5 through 9)	388,523,186	357,292,029
11.	Net cash from operations (Line 4 minus Line 10)	33,138,255	33,394,157
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	85,821,986	43,739,475
	12.2 Stocks		52,478,643
	12.3 Mortgage loans		
	12.4 Real estate		10,005
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	695	(546)
	12.7 Miscellaneous proceeds	3,359,655	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	89,182,336	96,227,577
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	78,555,159	68,031,763
	13.2 Stocks		1,035,097
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets	249,858	1,363,040
	13.6 Miscellaneous applications	1,109,450	3,554,575
	13.7 Total investments acquired (Lines 13.1 to 13.6)	79,914,467	73,984,475
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	9,267,870	22,243,102
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	53,822,902	50,573,853
	16.6 Other cash provided (applied)	9,309,829	(6,137,129)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(44,513,073)	(56,710,982)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,106,948)	(1,073,722)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	13,377,313	14,451,036
	19.2 End of year (Line 18 plus Line 19.1)	11,270,365	13,377,313

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

20.0001			

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0		0	0
2.	Allied lines	0		0	0
3.	Farmowners multiple peril	0		0	0
4.	Homeowners multiple peril	0		0	0
5.	Commercial multiple peril	0		0	0
6.	Mortgage guaranty	0		0	0
8.	Ocean marine	0		0	0
9.	Inland marine	0		0	0
10.	Financial guaranty	0		0	0
11.1	Medical professional liability - occurrence	0		0	0
11.2	Medical professional liability - claims-made	0		0	0
12.	Earthquake	0		0	0
13.	Group accident and health	0		0	0
14.	Credit accident and health (group and individual)	0		0	0
15.	Other accident and health	0		0	0
16.	Workers' compensation	0		0	0
17.1	Other liability - occurrence	0		0	0
17.2	Other liability - claims-made	0		0	0
17.3	Excess workers' compensation	0		0	0
18.1	Products liability - occurrence	0		0	0
18.2	Products liability - claims-made	0		0	0
19.1, 19.2	Private passenger auto liability	282,288,860	66,414,367	69,155,028	279,548,199
19.3, 19.4	Commercial auto liability	0		0	0
21.	Auto physical damage	104,999,617	25,623,729	24,875,947	105,747,399
22.	Aircraft (all perils)	0		0	0
23.	Fidelity	0		0	0
24.	Surety	0		0	0
26.	Burglary and theft	0		0	0
27.	Boiler and machinery	0		0	0
28.	Credit	0		0	0
29.	International	0		0	0
30.	Warranty	0		0	0
31.	Reinsurance - nonproportional assumed property	0		0	0
32.	Reinsurance - nonproportional assumed liability	0		0	0
33.	Reinsurance - nonproportional assumed financial lines	0		0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	387,288,477	92,038,096	94,030,975	385,295,598

DETAILS OF WRITE-INS

		1	2	3	4
3401.		0		0	0
3402.		0		0	0
3403.		0		0	0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence					0
17.2	Other liability - claims-made					0
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability	69,155,028				69,155,028
19.3, 19.4	Commercial auto liability					0
21.	Auto physical damage	24,875,947				24,875,947
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	94,030,975	0	0	0	94,030,975
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					94,030,975

DETAILS OF WRITE-INS

		1	2	3	4	5
3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case: Daily pro rata basis

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

		1	Reinsurance Assumed		Reinsurance Ceded		6
			2	3	4	5	Net Premiums Written
	Line of Business	Direct Business (a)	From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	(Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril						0
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine						0
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made						0
12.	Earthquake						0
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation						0
17.1	Other liability - occurrence						0
17.2	Other liability - claims-made						0
17.3	Excess workers' compensation						0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability	282,288,860					282,288,860
19.3, 19.4	Commercial auto liability						0
21.	Auto physical damage	105,054,492				54,875	104,999,617
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft						0
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX					0
32.	Reinsurance - nonproportional assumed liability	XXX					0
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	387,343,352	0	0	0	54,875	387,288,477

DETAILS OF WRITE-INS

3401.							0
3402.							0
3403.							0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

If yes: 1. The amount of such installment premiums $..........0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $..........0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage				5	6	7	8
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0	0		0	0.0
2.	Allied lines				0	0		0	0.0
3.	Farmowners multiple peril				0	0		0	0.0
4.	Homeowners multiple peril				0	0		0	0.0
5.	Commercial multiple peril				0	0		0	0.0
6.	Mortgage guaranty				0	0		0	0.0
8.	Ocean marine				0	0		0	0.0
9.	Inland marine				0	0		0	0.0
10.	Financial guaranty				0	0		0	0.0
11.1	Medical professional liability - occurrence				0	0		0	0.0
11.2	Medical professional liability - claims-made				0	0		0	0.0
12.	Earthquake				0	0		0	0.0
13.	Group accident and health				0	0		0	0.0
14.	Credit accident and health (group and individual)				0	0		0	0.0
15.	Other accident and health				0	0		0	0.0
16.	Workers' compensation				0	0		0	0.0
17.1	Other liability - occurrence				0	0		0	0.0
17.2	Other liability - claims-made				0	0		0	0.0
17.3	Excess workers' compensation				0	0		0	0.0
18.1	Products liability - occurrence				0	0		0	0.0
18.2	Products liability - claims-made				0	0		0	0.0
19.1, 19.2	Private passenger auto liability	151,960,524	313,497	2,901,603	149,372,418	101,863,296	94,472,677	156,763,037	56.1
19.3, 19.4	Commercial auto liability				0	0		0	0.0
21.	Auto physical damage	58,698,508			58,698,508	7,551,821	5,388,212	60,862,117	57.6
22.	Aircraft (all perils)				0	0		0	0.0
23.	Fidelity				0	0		0	0.0
24.	Surety				0	0		0	0.0
26.	Burglary and theft				0	0		0	0.0
27.	Boiler and machinery				0	0		0	0.0
28.	Credit				0	0		0	0.0
29.	International				0	0		0	0.0
30.	Warranty				0	0		0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0	0		0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX			0	0		0	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	0		0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	210,659,032	313,497	2,901,603	208,070,926	109,415,117	99,860,889	217,625,154	56.5

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8
3401.					0	0		0	0.0
3402.					0	0		0	0.0
3403.					0	0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire				0				0	
2.	Allied lines				0				0	
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril				0				0	
5.	Commercial multiple peril				0				0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine				0				0	
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0				0	
12.	Earthquake				0				0	
13.	Group accident and health				0				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation				0				0	
17.1	Other liability - occurrence				0				0	
17.2	Other liability - claims-made				0				0	
17.3	Excess workers' compensation				0				0	
18.1	Products liability - occurrence				0				0	
18.2	Products liability - claims-made				0				0	
19.1, 19.2	Private passenger auto liability	83,815,686	4,260		83,819,946	17,643,350	400,000		101,863,296	19,201,178
19.3, 19.4	Commercial auto liability				0				0	
21.	Auto physical damage	6,132,345			6,132,345	1,389,476	30,000		7,551,821	872,104
22.	Aircraft (all perils)				0				0	
23.	Fidelity				0				0	
24.	Surety				0				0	
26.	Burglary and theft				0				0	
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	89,948,031	4,260	0	89,952,291	19,032,826	430,000	0	109,415,117	20,073,282

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8	9
3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	6,619,483			6,619,483
1.2 Reinsurance assumed	51,138			51,138
1.3 Reinsurance ceded				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	6,670,621	0	0	6,670,621
2. Commission and brokerage:				
2.1 Direct, excluding contingent		49,297,208		49,297,208
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent				0
2.4 Contingent - direct				0
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	49,297,208	0	49,297,208
3. Allowances to manager and agents				0
4. Advertising		10,373,080		10,373,080
5. Boards, bureaus and associations	316,487	163,807		480,294
6. Surveys and underwriting reports		5,141,008		5,141,008
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	15,432,267	27,615,210		43,047,477
8.2 Payroll taxes	1,163,544	1,954,917		3,118,461
9. Employee relations and welfare	2,284,636	2,662,620		4,947,256
10. Insurance	82,277	306,635		388,912
11. Directors' fees	25	195		220
12. Travel and travel items	336,388	316,799		653,187
13. Rent and rent items	56,140	1,637,108		1,693,248
14. Equipment	593,293	864,654		1,457,947
15. Cost or depreciation of EDP equipment and software	1,665,378	1,821,811		3,487,189
16. Printing and stationery	76,858	437,417		514,275
17. Postage, telephone and telegraph, exchange and express	660,039	3,608,972		4,269,011
18. Legal and auditing	1,141,166	1,167,014	388,518	2,696,698
19. Totals (Lines 3 to 18)	23,808,498	58,071,247	388,518	82,268,263
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $..........0		8,927,507		8,927,507
20.2 Insurance department licenses and fees	78,133	648,580		726,713
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)	12,248	14,768		27,016
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	90,381	9,590,855	0	9,681,236
21. Real estate expenses				0
22. Real estate taxes			105,758	105,758
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	3,911,620	18,434,347	0	22,345,967
25. Total expenses incurred	34,481,120	135,393,657	494,276	(a)............170,369,053
26. Less unpaid expenses - current year				0
27. Add unpaid expenses - prior year				0
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	34,481,120	135,393,657	494,276	170,369,053

DETAILS OF WRITE-INS

	1	2	3	4
2401. Purchase lead fees		5,713,895		5,713,895
2402. Hardware and software maintenance	757,351	2,103,423		2,860,774
2403. Software Licenses	738,766	2,576,407		3,315,173
2498. Summary of remaining write-ins for Line 24 from overflow page	2,415,503	8,040,622	0	10,456,125
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	3,911,620	18,434,347	0	22,345,967

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a)308,486	286,830
1.1	Bonds exempt from U.S. tax	(a)3,100,544	2,626,944
1.2	Other bonds (unaffiliated)	(a)3,795,878	4,083,818
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	40,510	40,510
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)1,772,334	1,772,334
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e)83,980	83,980
7.	Derivative instruments	(f)	
8.	Other invested assets	35,165	35,165
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	9,136,896	8,929,581
11.	Investment expenses		(g)494,275
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)784,035
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		1,278,310
17.	Net investment income (Line 10 minus Line 16)		7,651,271

DETAILS OF WRITE-INS

0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....62,497 accrual of discount less $.....1,666,314 amortization of premium and less $.....195,268 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued dividends on purchases.
(c) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(d) Includes $.....1,772,334 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $.....11,315 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(f) Includes $..........0 accrual of discount less $..........0 amortization of premium.
(g) Includes $..........0 investment expenses and $..........0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $..........0 interest on surplus notes and $..........0 interest on capital notes.
(i) Includes $.....784,035 depreciation on real estate and $..........0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds	29,625		29,625		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	316,819		316,819	(3,086)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)			0		
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate		(1,097,947)	(1,097,947)		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	633		633	62	
7.	Derivative instruments			0		
8.	Other invested assets			0	1,111,433	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	347,078	(1,097,947)	(750,869)	1,108,409	0

DETAILS OF WRITE-INS

0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)		2,584	2,584
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	2,584	2,584
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	3,418,632	4,831,463	1,412,830
21. Furniture and equipment, including health care delivery assets	607,814	537,250	(70,564)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other-than-invested assets	1,037,447	731,954	(305,494)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	5,063,894	6,103,250	1,039,356
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	5,063,894	6,103,250	1,039,356

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid expenses	979,506	644,973	(334,534)
2502. Postage meter receivable	57,941	86,981	29,040
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,037,447	731,954	(305,494)

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Safe Auto Insurance Company ("the Company") have been prepared on the basis of accounting practices prescribed or permitted by the Insurance Department of the State of Ohio. The Insurance Department of the State of Ohio recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below.

	SSAP #	F/S Page	F/S Line #	2018	2017
Net Income					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	$ 22,547,948	$ 33,822,902
(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	$ 22,547,948	$ 33,822,902
Surplus					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	$ 108,605,878	$ 136,705,251
(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	$ 108,605,878	$ 136,705,251

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts in these financial statements and notes. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums written are deferred and earned pro rata over the terms of the related insurance policies. Depending on the state, policy fees are either recognized in premiums earned on the effective date of the respective insurance policy or over the term of the policy.

Unearned premium reserves represent the portion of premiums written that are applicable to the unexpired terms of the policies in-force, and are determined on a daily pro rata basis.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as advertising, premium taxes and sales commissions, are charged to operations as incurred. The Company has not modified its capitalization policy from the prior period.

Net investment income earned consists primarily of interest, dividends and rental income less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rental income includes an imputed rent for the Company's occupancy of its own buildings. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed, and include write-downs for impairments considered to be other-than-temporary.

In addition, the company uses the following accounting policies:

(1) Short-term investments are reported at amortized cost.

(2) Bonds not backed by other loans that are designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost, using the interest method. All other bonds (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.

(3) Unaffiliated common stocks are stated at fair value.

(4) The company's preferred stock is stated at fair value.

(5) Mortgage loans - None

(6) Loan-backed securities are reported at either amortized cost using the interest method or, if non-investment grade, at the lower of amortized cost, fair value or at the present value of future cash flows. The retrospective adjustment method is used to value all securities, except for interest only securities, where the yield had become negative, that are valued using the prospective method.

(7) Subsidiaries are stated at their underlying audited GAAP equity.

(8) Other invested assets are stated at lower of cost or fair value, except for investments in limited partnerships (LPs) or limited liability companies (LLCs). Investments in LPs and LLCs are stated at the underlying audited GAAP equity of the investee, unless ownership is less than 3% or the investee invests in market priced funds. Investments in LPs and LLCs that invest in market priced funds are stated at the underlying audited GAAP equity of the investee. Otherwise, investments in LPs and LLCs, where ownership is less than 3% are stated at cost. Investments are non-admitted if no audit of the investee is completed.

(9) The Company owned derivatives are stated at fair value.

(10) The Company does utilize anticipated investment income as a factor in the premium deficiency calculation.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

(11) Unpaid losses and loss adjustment expenses ("LAE") include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and 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 are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company did not change its capitalization policy in 2018.

(13) Pharmaceutical rebate receivables - None

D. Going Concern - None

2. Accounting Changes and Corrections of Errors

The Company did not have any material changes in accounting principles and/or corrections of errors in 2018 or 2017.

3. Business Combinations and Goodwill - None

4. Discontinued Operations - None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages - None

D. Loan-Backed Securities

(1) Prepayment assumptions for Agency Mortgage-Backed Securities and Collateralized Mortgage Obligations were generated using a third-party prepayment model. The multi-factor model captures house price change trends, housing turnover, borrower default, and refinance incentive, among other factors. On an ongoing basis, we monitor the rate of prepayment and calibrate the model to reflect actual experience, market factors, and viewpoint.

(2) Loan-backed and structured securities with a recognized other-than-temporary impairment - None

(3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - None

(4) All impaired securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss

	Amount
a. The aggregate amount of unrealized losses:	
1. Less than 12 months	$ 581,977
2. 12 months or longer	$ 1,365,054
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	$ 46,980,211
2. 12 months or longer	$ 41,408,614

(5) Recommendations for potential impairments are based on periodic analytical reviews and/or Company specified OTTI requirements. Analysis relies on actual collateral performance measurements including, but not limited to prepayment rates, default rates, delinquencies and loss severity sourced through third party data providers.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None

H. Repurchase Agreements Transactions Accounted for as a Sale - None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None

J. Real Estate

The company recognized an impairment loss of its KY facility in Oct 2018.

(1) The facility that recognized an impairment loss is a company owned building located at Pulaski County in the state of Kentucky. The impairment is due to the appraisal of the building market value. The impairment loss is $1,097,947. Fair value was determined by appraisal using sales comparison and income approach. The loss was recognized on income statement as a realized loss on sale of property and equipment.

(2) Real estate sold or classified held for sale - None

(3) Changes to a plan of sale for an investment in real estate - None

(4) Retail land sales operations - None

(5) Participating mortgage loan features - None

K. Low-Income Housing Tax Credits (LIHTC) - None

Notes to the Financial Statements

5. Investments (Continued)

L. Restricted Assets

(1) Restricted assets (including pledged)

The Company's restricted assets are displayed in the table below.

	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
a. Subject to contractual obligation for which liability is not shown	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	–%	–%
b. Collateral held under security lending agreements	–	–	–	–	–	–	–	–	–	–	–
c. Subject to repurchase agreements	–	–	–	–	–	–	–	–	–	–	–
d. Subject to reverse repurchase agreements	–	–	–	–	–	–	–	–	–	–	–
e. Subject to dollar repurchase 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	689,500	–	–	–	689,500	689,500	–	–	689,500	0.181	0.184
j. On deposit with states	2,661,314	–	–	–	2,661,314	2,608,317	52,997	–	2,661,314	0.700	0.709
k. On deposit with other regulatory bodies	–	–	–	–	–	–	–	–	–	–	–
l. Pledged as collateral to FHLB (including assets backing funding agreements)	–	–	–	–	–	–	–	–	–	–	–
m. Pledged as collateral not captured in other categories	926,243	–	–	–	926,243	921,510	4,733	–	926,243	0.240	0.250
n. Other restricted assets								–	–		
o. Total restricted assets	$ 4,277,057	$ –	$ –	$ –	$ 4,277,057	$ 4,219,327	$ 57,730	$ –	$ 4,277,057	1.121%	1.143%

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate)

The company has set aside cash assets in a bank account to collateralize a letter of credit.

	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Description of Assets	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
Assets pledged as collateral	$ 926,243	$ –	$ –	$ –	$ 926,243	$ 921,510	$ 4,733	$ 926,243	0.240%	0.250%
Total	$ 926,243	$ –	$ –	$ –	$ 926,243	$ 921,510	$ 4,733	$ 926,243	0.240%	0.250%

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - None

(4) Collateral received and reflected as assets within the reporting entity's financial statements - None

M. Working Capital Finance Investments - None

N. Offsetting and Netting of Assets and Liabilities - None

Notes to the Financial Statements

5. **Investments (Continued)**

O. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (Yes/No)
30711XC28	$ 667,629	$ 666,752	$ 667,629	YES
30711XJS4	294,764	294,991	294,764	YES
30711XNS9	233,099	232,756	233,099	YES
30711XQS6	497,978	497,485	497,978	YES
30711XX25	960,715	957,267	960,715	YES
Total	$ 2,654,185	$ 2,649,251	$ 2,654,185	

P. 5GI Securities - None

Q. Short Sales - None

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	10	
(2) Aggregate Amount of Investment Income	$ 51,252	$

6. **Joint Ventures, Partnerships and Limited Liability Companies**

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets

The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% percent of its admitted assets.

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

None

7. **Investment Income**

A. Due and Accrued Income Excluded from Surplus

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Total Amount Excluded - None

8. **Derivative Instruments**

A. The Company is exposed to market risks, primarily security price volatility, related to derivative financial instruments.

B. The Company takes positions from time to time in certain derivative financial instruments to increase investment returns. Financial instruments are used for such purposes include call options.

C. The Company writes call options on certain common stocks it owns to enhance returns to the extent of the premium received. The premium received for a written option is recorded as a “write-in liability” until the option is exercised, expires or is otherwise terminated. The liability is marked to market at each statement date. On exercise, premiums received are recognized immediately by combining them with the gains (losses) on the covering asset. Upon expiration or other closing transaction, gains (losses) are recognized immediately as a component of realized gains (losses). The Company did not own any derivative instruments in 2018. The Company recognized net realized gains of $0 in 2018. The Company recognized net realized gains of $82,382 in 2017.

D. Derivative Contracts with Financing Premiums - None

E. The Company had no net unrealized gains on open call options and no total “write in” value as of December 31, 2018 and December 2017.

F. Net Gain or Loss Recognized from Derivatives No Longer Qualifying for Hedge Accounting - None

G. Derivatives Accounted for as Cash Flow Hedges of a Forecasted Transaction - None

H. Premium Cost for Derivative Contracts - None

Notes to the Financial Statements

9. Income Taxes

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

	2018			2017			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets	$ 10,945,157	$ 212,890	$ 11,158,047	$ 9,584,113	$ 212,896	$ 9,797,009	$ 1,361,044	$ (6)	$ 1,361,038
(b) Statutory valuation allowance adjustments	–	–	–				–	–	–
(c) Adjusted gross deferred tax assets (1a - 1b)	10,945,157	212,890	11,158,047	9,584,113	212,896	9,797,009	1,361,044	(6)	1,361,038
(d) Deferred tax assets nonadmitted	–	–	–				–	–	–
(e) Subtotal net admitted deferred tax asset (1c - 1d)	$ 10,945,157	$ 212,890	$ 11,158,047	$ 9,584,113	$ 212,896	$ 9,797,009	$ 1,361,044	$ (6)	$ 1,361,038
(f) Deferred tax liabilities	3,955,249	2,612,997	6,568,246	3,595,251	2,639,787	6,235,038	359,998	(26,790)	333,208
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ 6,989,908	$ (2,400,107)	$ 4,589,801	$ 5,988,862	$ (2,426,891)	$ 3,561,971	$ 1,001,046	$ 26,784	$ 1,027,830

(2) Admission calculation components SSAP No. 101

	2018			2017			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 6,701,896	$ 95,799	$ 6,797,695	$	$ 95,802	$ 95,802	$ 6,701,896	$ (3)	$ 6,701,893
(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 (lesser of 2(b)1 and 2(b)2 below)	328,438	–	328,438	5,948,471		5,948,471	(5,620,033)	–	(5,620,033)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	328,438	–	328,438	5,948,471		5,948,471	(5,620,033)	–	(5,620,033)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	19,971,492	XXX	XXX	23,757,247	XXX	XXX	(3,785,755)
(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	3,914,823	117,091	4,031,914	3,635,642	117,093	3,752,735	279,181	(2)	279,179
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 10,945,157	$ 212,890	$ 11,158,047	$ 9,584,113	$ 212,895	$ 9,797,008	$ 1,361,044	$ (5)	$ 1,361,039

(3) Other admissibility criteria

	2018	2017
(a) Ratio percentage used to determine recovery period and threshold limitation amount	320.000%	482.000%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 108,605,878	$ 136,705,251

(4) Impact of tax-planning strategies

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

	2018		2017		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 10,945,157	$ 212,890	$ 9,584,113	$ 212,896	$ 1,361,044	$ (6)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	6.600%	1.900%	9.800%	2.200%	-3.200%	-0.300%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$ 10,945,157	$ 212,890	$ 9,584,113	$ 212,896	$ 1,361,044	$ (6)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	16.200%	4.600%	27.100%	6.000%	-10.900%	-1.400%

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

B. Regarding Deferred Tax Liabilities That Are Not Recognized - None

Notes to the Financial Statements

9. Income Taxes (Continued)

C. Major Components of Current Income Taxes Incurred

Current income taxes incurred consist of the following major components:	(1) 2018	(2) 2017	(3) Change (1-2)
1. Current Income Tax			
(a) Federal	$ 8,208,436	$ 5,029,431	$ 3,179,005
(b) Foreign			
(c) Subtotal	$ 8,208,436	$ 5,029,431	$ 3,179,005
(d) Federal income tax on net capital gains	(157,821)	3,755,136	(3,912,957)
(e) Utilization of capital loss carry-forwards			
(f) Other	(342,343)	5,394	(347,737)
(g) Federal and foreign income taxes incurred	$ 7,708,272	$ 8,789,961	$ (1,081,689)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 1,284,338	$ 500,755	$ 783,583
(2) Unearned premium reserve	3,950,579	3,867,604	82,975
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets	1,650,422	1,264,652	385,770
(8) Compensation and benefits accrual	2,114,035	1,793,690	320,345
(9) Pension accrual			
(10) Receivables - nonadmitted	1,063,418	1,281,683	(218,265)
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other (including items less than 5% of total ordinary tax assets)	882,365	875,729	6,636
(99) Subtotal	$ 10,945,157	$ 9,584,113	$ 1,361,044
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 10,945,157	$ 9,584,113	$ 1,361,044
(e) Capital			
(1) Investments	$ 212,890	$ 212,896	$ (6)
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other (including items <5% of total capital tax assets)			
(99) Subtotal	$ 212,890	$ 212,896	$ (6)
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	212,890	212,896	(6)
(i) Admitted deferred tax assets (2d + 2h)	$ 11,158,047	$ 9,797,009	$ 1,361,038
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	$ 13,447	$ 14,617	$ (1,170)
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves	46,932	26,453	20,479
(5) Other (including items <5% of total ordinary tax liabilities)	3,894,870	3,554,181	340,689
(99) Subtotal	$ 3,955,249	$ 3,595,251	$ 359,998
(b) Capital			
(1) Investments	$	$	$
(2) Real estate			
(3) Other (including items <5% of total capital tax liabilities)	2,612,997	2,639,787	(26,790)
(99) Subtotal	$ 2,612,997	$ 2,639,787	$ (26,790)
(c) Deferred tax liabilities (3a99 + 3b99)	$ 6,568,246	$ 6,235,038	$ 333,208
4. Net deferred tax assets/liabilities (2i - 3c)	$ 4,589,801	$ 3,561,971	$ 1,027,830

Included in line 3.(a)(5)Deferred tax liabilities Ordinary Other are the following amounts that are greater than 5% of total ordinary tax liabilities:

	Current Year	Prior Year
Other (Capitalized Software)	2,948,293	3,033,107
Other (separately disclose items >5%)	297,061	521,074
Loss Reserves - 1/1/18 Tax Reform Reset	649,516	0
(5) Other	3,894,870	3,554,181

Notes to the Financial Statements

9. Income Taxes (Continued)

Included in line 3.(b)(3)Deferred tax liabilities Capital Other are the following amounts that are greater than 5% of total ordinary tax liabilities:

	Current Year	Prior Year
Other (separately disclose items >5%)	2,080,881	2,340,425
Unrealized capital gains	532,116	299,362
(3) Other	2,612,997	2,639,787

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2018	December 31, 2017	Change
Current income tax expense	7,708,271	8,789,961	
Total deferred tax assets	11,158,047	9,797,009	1,361,038
Total deferred tax liabilities	(6,568,246)	(6,235,038)	(333,208)
Net deferred tax assets/liabilities	4,589,801	3,561,971	1,027,830
Statutory valuation allowance adjustment (*see explanation	0	0	0
Net deferred tax assets/liabilities after SVA	4,589,801	3,561,971	1,027,830
Tax effect of unrealized gains/(losses)	532,116	299,362	232,754
Deferred tax assets/liabilities, excluding taxes on unrealized	5,121,917	3,861,333	1,260,584
Prior period deferred true-up adjustment			0
Change in net deferred income tax [(charge)/benefit]			1,260,584

On December 22, 2017, the United States enacted tax reform legislation through the Tax Cuts and Jobs Act (TCJA), which significantly changed the existing U.S. tax laws, including a reduction in the corporate tax rate from 35% to 21%, as well as other changes. As a result of enactment of the legislation, the Company incurred an additional one time surplus increase during the 4th quarter of 2018, primarily related to the re-measurement of certain deferred tax assets and liabilities. The surplus increase as a result of tax reform was $123,754 as of December 31, 2018 and a surplus decrease of $2,374,647 as of December 31, 2017.

The TCJA provided for a change in the methodology employed to calculated reserves for tax purposes. Beginning January 1, 2018, a higher interest rate assumption and longer payout patterns are used to discount these reserves. In addition, companies are no longer able to elect to use their own experience to discount reserves, but instead are required to use the industry-based tables published by the IRS annually. During 2017, the Company could not reasonably estimate the provisional tax impacts related to the change in methodology. During 2018, the IRS published the discount factor tables and the Company calculated the tax impact of the methodology change and recorded an additional deferred tax asset and offsetting deferred tax liability of $742,304 at December 31, 2018. The deferred tax liability was amortized into income in the amount of $92,788 during 2018 per the 8-year inclusion described in the TCJA.

D. Among the More Significant Book to Tax Adjustments

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	December 31, 2018	Effective Tax Rate
Provision computed at statutory rate	$ 6,533,806	21.000%
Tax-exempt interest	(553,649)	-1.800
Dividends received deduction	(4,254)	–
Proration	139,475	0.500
Non deductible expenses	450,758	1.500
Statutory valuation allowance adjustment		
Deferred taxes on non-admitted assets	218,265	0.700
Other, Including Prior Year True-Up	(156,713)	-0.500
Revaluation of DTA for tax reform	–	–
Total	6,447,689	21.300
Federal income taxes incurred [expense/(benefit)]	7,866,095	26.000
Tax on capital gains/(losses)	(157,821)	-0.500
Change in net deferred income tax [charge/(benefit)]	(1,260,584)	4.200
Total statutory income taxes	$ 6,447,689	21.300%

Notes to the Financial Statements

9. Income Taxes (Continued)

	December 31, 2017	Effective Tax Rate
Provision computed at statutory rate	$ 14,914,504	35.000%
Tax-exempt interest	(931,323)	-2.200
Dividends received deduction	(60,622)	-0.100
Proration	148,792	0.300
Non deductible expenses	(1,907,346)	-4.500
Statutory valuation allowance adjustment		
Deferred taxes on non-admitted assets	583,326	1.400
Other, Including Prior Year True-Up	11,046	–
Revaluation of DTA for tax reform	2,574,223	6.000
Total	15,332,599	36.000
Federal income taxed incurred [expense/(benefit)]	5,034,825	11.800
Tax on capital gains/(losses)	3,755,136	8.800
Change in net deferred income tax [change/(benefit)]	6,542,638	15.400
Total statutory income taxes	$ 15,332,599	36.000%

E. Operating Loss and Tax Credit Carryforwards

(1) At December 31, 2018 the Company had no net operating loss carryforwards, capital loss carryforwards, or AMT credit carryforwards. The following is income tax expense for 2016, 2017 and 2018 that is available for recoupment in the event of future net losses.

(2) Income tax expense available for recoupment

	Ordinary	Capital	Total
2016	$	$ –	$ –
2017	8,065,446	376,779	8,442,225
2018	7,941,508	109,107	8,050,615

(3) Deposits admitted under IRC Section 6603 - None

F. Consolidated Federal Income Tax Return

(1) The Company's federal income tax return is consolidated with the following entities: Safe Auto Insurance Group, Inc., Safe Auto Group Agency, Inc., Safe Auto Capital, LLC, SafeAuto Realty, LLC, AutoTex MGA, Inc., SafeAuto Services, LLC, Safe Auto Choice Insurance Company and Safe Auto Value Insurance Company.

(2) The Company has a tax sharing agreement with its parent whereby federal income tax expense is determined as if the Company filed a separate federal income tax return and payments for this liability are made to the parent and included with balances reports as Payable to parent, subsidiaries and affiliates.

G. Federal or Foreign Income Tax Loss Contingencies - None

H. Repatriation Transition Tax (RTT)

None

I. Alternative Minimum Tax (AMT) Credit

None

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

1. The Company is a wholly owned subsidiary of Safe Auto Insurance Group, Inc. (Parent), a privately held company incorporated in Ohio.
2. As of December 31, 2018 the Company has contributed $5,724,045 to SafeAuto Capital, LLC, which invests in private equity funds. The Company owns 100% of SafeAuto Capital, LLC.

B. Detail of Transactions Greater than ½% of Admitted Assets

1. The Company participates in a cash sweep program with Safe Auto Group Agency. Within terms of the program the companies may commingle cash balances in a bank account owned by the Company.
2. Safe Auto Group Agency negotiates, manages, and purchases certain advertising for Safe Auto Insurance Company and sells and services certain insurance policies on behalf of Safe Auto Insurance Company. Safe Auto Insurance Company reimburses Safe Auto Group Agency 100% of all costs incurred to provide such services (see Note 10-F).
3. The Company paid dividends to the Parent of $53,822,902 and $50,573,853 during 2018 and 2017, respectively.
4. No other transactions exceeding the 1/2% limit occurred in 2018 or 2017.

C. Amount of Transactions & Effects of Change in Terms of Intercompany Arrangements - None

D. Amounts Due to or From Related Parties

Notes to the Financial Statements

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

1. The Company had receivables from Safe Auto Group Agency of $5,377,728 and $0 as of December 31, 2018 and 2017, respectively. The Company also had payables to Safe Auto Group Agency of $8,623,765 and $1,505,971 as of December 31, 2018 and 2017, respectively.
2. The Company had receivables from SAGI Realty Ltd. (SAGI) of $4,264 and $3,433 as of December 31, 2018 and 2017, respectively.
3. The Company had receivables from Parent of $909,646 and $104,543 as of December 31, 2018 and 2017, respectively. The Company also had payables to Parent of $5,100,675 and $595,708 as of December 31, 2018 and 2017, respectively.
4. The Company had a payable due to SafeAuto Capital of $1,483,852 and $125,571 as of December 31, 2018 and 2017, respectively.
5. The Company had receivables from Safe Auto Realty of $16,255 and $25,311 as of December 31, 2018 and 2017, respectively.
6. The Company had receivables from AutoTex MGA, Inc. of $70,574 and $0 as of December, 31, 2018 and 2017, respectively. The Company also had payables to AutoTex, MGA, Inc. of $0 and $22,981 as of December 31, 2018 and 2017, respectively.
7. The Company had a receivable from SafeAuto Services, LLC. of $559,509 and $298,399 as of December 31, 2018 and 2017, respectively.

E. Guarantees or Contingencies - None

F. Management, Service Contracts, Cost Sharing Arrangements

1. Safe Auto Insurance Company and Safe Auto Group Agency are parties of an agency contract. Safe Auto Group Agency provides agency services for Safe Auto Insurance Company by employing certain agents, customer service, and related management personnel while also exclusively providing all advertising and marketing efforts. Safe Auto Insurance Company paid Safe Auto Group Agency $49,995,360 in 2018 and $37,088,748 in 2017.
2. In August 2012, the Company and its parent entered into an agreement whereby Company provides services to the parent and its subsidiaries. This agreement was approved by the Ohio Department of Insurance. Affiliates paid the Company $274,204 and $1,628,015 for these services in 2018 and 2017, respectively.
3. All such management, service contracts, and cost sharing agreements mentioned are transacted at cost and provide no profit provision to the service provider.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Parent.

H. Amount Deducted for Investment in Upstream Company - None

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - None

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - None

K. Foreign Subsidiary Value Using CARVM - None

L. Downstream Holding Company Value Using Look-Through Method - None

M. All SCA Investments - None

N. Investment in Insurance SCAs - None

O. SCA Loss Tracking - None

11. Debt

A. Debt, Including Capital Notes - None

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLBC) of Cincinnati. Through its membership, the Company may conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as backup liquidity. The Company's borrowing capacity is $10,000,000.

Notes to the Financial Statements

11. Debt (Continued)

(2) FHLB capital stock

(a) Aggregate totals

	(1) Total (2+3)	(2) General Account	3 Protected Cell Accounts
1. Current Year			
(a) Membership stock - Class A	$ –	$ –	$ –
(b) Membership stock - Class B	550,947	550,947	–
(c) Activity stock	–	–	–
(d) Excess stock	138,553	138,553	–
(e) Aggregate total (a+b+c+d)	$ 689,500	$ 689,500	$ –
(f) Actual or estimated borrowing capacity as determined by the insurer	$ 10,000,000		
2. Prior Year-End			
(a) Member stock - Class A	$	$	$
(b) Membership stock - Class B	550,947	550,947	
(c) Activity stock			
(d) Excess stock	138,553	138,553	
(e) Aggregate total (a+b+c+d)	$ 689,500	$ 689,500	$
(f) Actual or estimated borrowing capacity as determined by the insurer	$ 10,000,000		

(b) Membership stock (class A and B) eligible and not eligible for redemption

			Eligible for Redemption			
	(1)	(2)	(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	$ 550,947	$ 550,947	$ –	$ –	$ –	$ –

(3) Collateral pledged to FHLB - None

(4) Borrowing from FHLB - None

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

A. Defined Benefit Plan - None

B. Pension Plan Asset Information - None

C. Fair Value of Each Class of Plan Assets - None

D. Expected Long-Term Rate of Return for the Plan Assets - None

E. Defined Contribution Plans

The Company sponsors a defined contribution 401(k) Employee Savings and Profit Sharing Plan which allows eligible employees to contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations, to an individual 401(k) retirement savings account. The Company makes matching contributions equal to 50% of the employee contributions, up to 8% of total employee compensation, and may make periodic discretionary contributions. The Company's contributions to this Plan were $849,875 and $880,234 for the years ended December 31, 2018 and 2017, respectively.

The Company also sponsors a non-qualified deferred compensation arrangement for certain executives and directors of the Company. Participating executives and directors may contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations. The Company makes matching contributions equal to 50% of the employee contribution up to 8% of total executive compensation when coordinated with the executives' contributions to the 401(k) plan. There are no matching contributions for directors.

F. Multiemployer Plans - None

G. Consolidated/Holding Company Plans - None

H. Postemployment Benefits and Compensated Absences - None

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

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

1. Outstanding Shares

The Company has 750 shares of $25,000 par value common stock authorized and 100 shares issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock - None

3. Under the insurance regulations of Ohio, the maximum amount of ordinary dividends that the Company may pay to shareholders in a 12 month period is limited to the greater of 10% of the most recent year-end policyholders' surplus or the net income for that same year-end. Accordingly, the maximum amount of ordinary dividends that the Company may pay in 2018 is $22,547,948. Dividends above this amount would be deemed extraordinary and may not be paid unless:

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Continued)

1. not disapproved by the Commissioner of Insurance of Ohio within 30 days of receiving notice of the declaration thereof or
2. approved within that 30 day period.

4. Dividend Payments
On July 23, 2018 the board approved an ordinary dividend of $20,000,000 to be paid on or after September 29, 2018. The Company paid the dividend on October 1, 2018.

On November 26, 2018 the board approved an ordinary dividend of $13,822,902 to be paid on or after December 28, 2018. The Company paid the dividend in installment payments between December 11, 2018 and December 14, 2018..

On November 26, 2018 the board approved an extraordinary dividend of $20,000,000 to be paid on or after December 28, 2018. The Company paid the dividend on December 31, 2018. The Company obtained approval to declare and pay the entire extraordinary dividend by the Ohio Department of Insurance.

On March 2, 2017, the board approved an ordinary dividend of $1,000,000 to be paid to the Parent, on or after March 2, 2017. The Company paid the dividend on March 28, 2017.

On June 6, 2017, the board approved an ordinary dividend of $4,573,853 to be paid to the Parent, on or after June 21, 2017. The Company paid the dividend on October 11, 2017.

On June 23, 2017, the board approved an extraordinary dividend, comprised of a combination of cash and securities, in an amount up to $45,000,000 to be paid to the Parent, on or after July 10, 2017. The Company paid the dividend in installment payments between September 28, 2017 and October 11, 2017. The Company obtained approval to declare and pay the entire extraordinary dividend by the Ohio Department of Insurance.

5. Ordinary Dividends

Within the limitations noted in note 13.3 above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

6. Restrictions on Surplus

There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

7. Surplus Advances - None
8. Stock Held for Special Purposes - None
9. Changes in Special Surplus Funds - None
10. Unassigned funds (surplus)
The portion of unassigned funds (surplus) represented by an increase in cumulative unrealized gains is $2,001,770
11. Company-Issued Surplus Debentures or Similar Obligations - None
12. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None
13. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments - None

B. Assessments

(1) The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessment or in the case of premium based assessments, at the time the premiums were written, or in the case of loss based assessments, at the time the losses are incurred.

(2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges - None

(3) Guaranty fund liabilities and assets related to long-term care insolvencies - None

C. Gain Contingencies - None

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

The Company is named, from time to time and in the ordinary course of business, as a defendant in legal actions arising principally from claims made under its insurance contracts, including those seeking extra-contractual damages beyond policy limits. The Company is presently defending two such matters. In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Such legal actions are considered by the Company in estimating the loss and LAE reserves. At December 31, 2018, there is a $50,000 reserve established with respect to such exposures.

At this time, the Company does not believe that any other legal action necessitates recognition of losses or disclosure, or that the resolution of such action would have a material adverse effect on the Company's financial position or results of operations.

During 2018 and 2017, the Company paid $4,135,000 and $11,000, respectively. These payments encompass reimbursements relating to less than 25 extra-contractual or bad faith claims.

The claim count information is disclosed on a per claim basis.

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

	Direct
Claims-related ECO and bad faith losses paid during the reporting period	$ 4,135,000

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

Method used to disclose claim count information:

(f) Per Claim [X]   (g) Per Claimant [ ]

E. Product Warranties - None

F. Joint and Several Liabilities - None

G. All Other Contingencies

The Company is also, from time to time and in the ordinary course of business, faced with class action lawsuits, regulatory proceedings, and individual lawsuits that are not directly related to its insurance contracts. Such matters presently include a pending California Market Conduct Exam, a Texas rate enforcement action and two similar putative class action lawsuits both alleging the Company improperly charged premium to certain insureds. In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Likewise, the Company does not establish reserves for those matters where the loss is not probable and/or it currently is unable to estimate the Company's potential exposure. If either or both of the existing class action suits result in a judgment against, or settlement by, the Company in an amount significantly in excess of the reserve established for that matter, if any, the resulting liability could have a material effect on the Company's financial condition, cash flows, and results of operations. The Company continues to vigorously defend its position in the aforementioned matters and assess its legal positions. At December 31, 2018, there is a $200,000 reserve established with respect to such exposures.

15. Leases

A. Lessee Operating Lease

(1) Leasing arrangements

(a) The Company leases equipment and a facility under multiple non-cancelable operating lease agreements that expire July 2019. Rental expense for 2018 and 2017 was $334,043 and $404,337, respectively.

(2) For leases having initial or remaining noncancelable lease terms in excess of one year

(a) Minimum aggregate rental commitments at period end

	Year Ending December 31	Operating Leases
1.	2019	$ 201,912
2.	2020	
3.	2021	
4.	2022	
5.	2023	
6.	Total	$ 201,912

(b) Sublease minimum rentals to be received - None

(3) For sale-leaseback transactions - None

B. Lessor Leases - None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - None

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

The Company uses a general agent (GA) to write and administer private passenger automobile insurance products in the State of California. The general agent writes direct premiums greater than 5% of policyholder surplus. The terms of the GA contract give the GA authority for premium collection. The Company sets pricing and underwriting guideline authority for all policies issued under this agreement. In the third quarter of 2015 the contract was terminated for new business.

The Parent owns AutoTex MGA, Inc. a managing general agent (MGA). The Company did not write any new business through AutoTex in 2018 and has not had any polices in force since September 2017.

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written / Produced By
Bridger Insurance Services (formerly SCJ Insurance Services) 7180 Koll Center Parkway #100, Pleasanton, CA 94566	94-2297460	YES	Private Passenger Automobile	P	$ 7,099,558
Total					$ 7,099,558

Notes to the Financial Statements

20. Fair Value Measurements

A. Fair Value Measurement

Inputs Used for Assets and Liabilities Measured at Fair Value

The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by ASC 820 *Fair Value Measurements and Disclosures.* The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are defined as follows:

- Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(1) Fair value measurements at reporting date

Assets recorded on the financial statements at fair value measurements by accounting hierarchy levels 1, 2 and 3. The Company has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the following table. The Company had no liabilities recorded at fair value.

	Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a.	Assets at fair value					
	Bonds	$	$	$	$	$
	Industrial and Misc	–	496,875	–	–	496,875
	Common Stock	–	–	–	–	–
	Industrial and Misc	–	689,500	–	–	689,500
	Cash Equivalents	–	–	–		–
	Other Money Market Mutual Funds		–	–	–	–
	Total assets measured at fair value	$ –	$ 1,186,375	$ –	$ –	$ 1,186,375
b.	Liabilities at fair value					
		$ –	$ –	$ –	$ –	$ –
	Total liabilities measured at fair value	$ –	$ –	$ –	$ –	$ –

Re-classifications impacting Level 3 financial instruments are reported as transfers in (out) of the Level 3 category as of the beginning of the quarter in which the transfer occurs; gains and losses in income only reflect activity for the period the instrument was classified in Level 3. The same policy is followed when a transfer between Level 1 and Level 2 occurs.

There were no transfers between Level 1 and Level 2 assets during the current period.

(2) Fair value measurements in Level 3 of the fair value hierarchy

Roll forward of Level 3 items

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

(3) 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 into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

(4) Fair value measurements for fixed income and equity securities are based on values either published by the NAIC's Security Valuation Office (SVO) or from an independent pricing service vendor. Under certain circumstances, if neither an SVO price nor a Vendor price is available, a price may be obtained from a broker. Short term securities and cash equivalents are valued at amortized cost.

When published prices from the SVO are not available, the Company relies predominately on independent pricing service vendors that have been evaluated and approved by our investment management company's internal pricing policy committee. Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation.

Certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used by the Company to determine the appropriate fair value hierarchy. Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with the Company's pricing policy. Market Information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

(5) Derivatives - None

B. Other Fair Value Disclosures - None

C. Fair Values for All Financial Instruments by Level 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments, excluding those accounted for under the equity method (subsidiaries, limited liability companies, etc.). The fair values are also categorized into the three-level hierarchy as described above in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Financial instruments - assets	$	$	$	$	$	$	$
Bonds	219,252,971	219,709,563	2,664,961	216,053,374	534,636	–	–
Common Stocks	689,500	689,500	–	689,500	–	–	–
Cash, Cash equivalents and short-term investments	11,270,360	11,270,360	11,270,360	–	–	–	–
Total Assets	231,212,831	231,669,424	13,935,321	216,742,874	534,636	–	–
Total Liabilities	–	–	–	–	–	–	–

D. Not Practicable to Estimate Fair Value - None

E. Nature and Risk of Investments Reported at NAV - None

21. Other Items

A. Unusual or Infrequent Items

2017 included in Aggregate write-ins for miscellaneous income on the Statement of Income is the receipt of a $4,000,000 death benefit on company owned life insurance on a former officer of the company.

B. Troubled Debt Restructuring - None

C. Other Disclosures - None

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-Transferable Tax Credits - None

F. Subprime-Mortgage-Related Risk Exposure

(1) Subprime Mortgage Exposures

The Company has invested in collateralized fixed income securities, such as residential mortgage-backed securities ("MBS") and collateralized debt obligations ("CDO"). Through certain investments, the Company is subject to additional default risk exposure as these securitizations were collateralized by mortgages that have characteristics of subprime lending. Such characteristics include, but are not limited to, an interest rate above prime to borrowers who do not qualify for prime rate loans, borrowers with low credit ratings, unconventionally high initial loan-to-value ratios, low initial payments based on a fixed introductory rate that expires after a short initial period, and borrowers with less than conventional documentation of their income or net assets.

While inherently subject to realized losses resulting from rising defaults or foreclosures, the Company's conservative investment practices of only investing in MBS and CDO's which carry the highest or higher credit ratings (AA or better) and actively monitoring the underlying collateral performance should limit such losses. As such, the Company currently believes that its exposure to unrealized losses from declines in asset values, as the market adjusts to risk aversion and liquidity issues, is greater than its exposure to realized losses resulting from receiving less than anticipated cash flows. The Company intends to hold these fixed income investments until maturity or recovery, and does not anticipate sale of assets to meet future cash flow requirements.

(2) Direct exposure through investments in subprime mortgage loans - None

(3) Direct exposure through other investments

The Company has invested in residential mortgage-backed securities and collateralized debt obligations. While the fair value of these fixed income investments may fluctuate, the Company reviewed its MBS and CDO portfolio as of December 31, 2018.

The following is a summary of the Company's other investments with subprime exposure.

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	$ 41,110	$ 41,112	$ 42,352	$ 101
b. Commercial mortgage-backed securities	–	–	–	–
c. Collateralized debt obligations	–	–	–	–
d. Structured securities	–	–	–	–
e. Equity investment in SCAs*	–	–	–	–
f. Other assets	–	–	–	–
g. Total	$ 41,110	$ 41,112	$ 42,352	$ 101

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - None

G. Insurance-Linked Securities (ILS) Contracts - None

Notes to the Financial Statements

22. Events Subsequent

There were no material subsequent events that occurred after December 31, 2018 and before the release of the financial statements.

The Company did not write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act?	NO	
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	$	
F.	Total adjusted capital after surplus adjustment	$	
G.	Authorized control level	$	
H.	Would reporting the ACA assessment as of Dec 31 have triggered an RBC action level?		

23. Reinsurance

A. Unsecured Reinsurance Recoverables - None

B. Reinsurance Recoverable in Dispute - None

C. Reinsurance Assumed and Ceded

(1) Maximum amount of return commission that would have been due reinsurers if all of the company's reinsurance was canceled or if the company's insurance assumed was canceled

The Company is a party in a prospective personal automobile physical damage catastrophe agreement of reinsurance with General Reinsurance Corporation. This reinsurance agreement covers a portion of aggregated losses arising from catastrophic events that exceed a specified retention stated in the agreement. Ceded premiums are calculated primarily based on a percentage of comprehensive premiums earned. Ceded premiums were $54,875 for the year ended December 31, 2018.

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements is accrued as follows:

The Company previously assumed business written by AutoTex MGA's independent agents on two non-affiliated insurance carriers. The business assumed through this agreement has run off. For the year 2018 total assumed premium and the related commissions payable were $0.

(3) Risks attributed to each of the company's protected cells - None

D. Uncollectible Reinsurance - None

E. Commutation of Ceded Reinsurance - None

F. Retroactive Reinsurance - None

G. Reinsurance Accounted for as a Deposit - None

H. Disclosures for the Transfer of Property and Casualty Run-Off Agreements - None

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination - None

25. Changes in Incurred Losses and Loss Adjustment Expenses

A. Reasons for Changes in the Provision for Incurred Loss and Loss Adjustment Expenses Attributable to Insured Events of Prior Years

Current year changes in estimates of costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development. Decreases in those estimates decrease current year expense and are referred to as favorable development. Current year losses and LAE of $252,106,277 were lower by $1,853,470 because of favorable development of prior year estimates. This favorable development was approximately 1.5% of the prior years' reserves for unpaid losses and LAE.

The decrease in prior years estimates is a result of ongoing analysis of recent loss and expense trends. The decrease in prior years estimated LAE of $3,621,559 is primarily a result lower than expected claim adjustment costs for accident years 2017 and 2016. This was offset by an increase in estimated losses for prior years of $1,768,089, which is primarily a result of greater than expected severity on Bodily Injury for accident years 2017 and 2016.

B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Losses and Loss Adjustment Expenses

The Company experienced no prior year claim development on retrospectively rated policies because the Company does not issue retrospectively rated policies.

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

28. Health Care Receivables - None

29. Participating Policies - None

Notes to the Financial Statements

30. Premium Deficiency Reserves

The Company has evaluated for the existence of any premium deficiencies as of December 31, 2018, and it was determined that there were none. Anticipated investment income was taken into account in the calculation.

1.	Liability carried for premium deficiency reserves:	$—
2.	Date of the most recent evaluation of this liability:	12/31/2018
3.	Was anticipated investment income utilized in the calculation?	YES

31. High Deductibles - None

32. Discounting of Liabilities by Withdrawal Characteristics For Unpaid Losses or Unpaid Loss Adjustment Expenses - None

33. Asbestos/Environmental Reserves - None

34. Subscriber Savings Accounts - None

35. Multiple Peril Crop Insurance - None

36. Financial Guaranty Insurance - None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? OHIO

1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [ ] No [X]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/18/2014

3.4 By what department or departments?
Ohio Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

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

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [X] No [ ]

4.22 renewals? Yes [X] No [ ]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
If the answer is YES, complete and file the merger history data file with the NAIC.

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

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

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

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, 180 East Broad Street, Suite 1400, Columbus, OH 43215-4315

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

GENERAL INTERROGATORIES

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10.6 If the response to 10.5 is no or n/a, please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Klayton N. Southwood, FCAS, MAAA, Director, Willis Towers Watson, 321 Susan Drive, Suite D, Normal, IL 61761

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No [ ]

12.11 Name of real estate holding company New Albany Apartments, LLC

12.12 Number of parcels involved 1

12.13 Total book/adjusted carrying value $ 0

12.2 If yes, provide explanation
New Albany is a Limited Liability Company that owns a portion of an apartment complex in New Albany, OH. SAIC owns a 19.54% share of the LLC. All capital has been repaid. SAIC maintains an interest in cash flows going forward. Investment is non-admitted for lack of financial audit, and has a fair value of $0 per Sch BA.

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers 0

20.23 Trustees, supreme or grand (Fraternal only) 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [ ] No [X]

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

21.21 Rented from others $ 0

21.22 Borrowed from others $ 0

21.23 Leased from others $ 0

21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $ 0

22.22 Amount paid as expenses $ 0

22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 909,646

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No [ ]

24.02 If no, give full and complete information, relating thereto:

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.103 Total payable for securities lending reported on the liability page: $ 0

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

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

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 689,500
25.28	On deposit with states	$ 2,661,315
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$ 926,243
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

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

27.2 If yes, state the amount thereof at December 31 of the current year: $ 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
US Bank	425 Walnut Street, 6th Floor, Cincinnati, OH 45202
FHLB of Cincinnati	221 E. 4th Street, Ste 1000, Cincinnati, OH 45202
PNC Wealth Management	1900 E. 9th Street, Cleveland, OH 44114
First National Bankers Bank (FNBB)	1200 West Third Street, Little Rock, AR 72201-1904
Wells Fargo Banking Co	1021 E. Cary Street, MAC R3529-062, Richmond, VA 23219

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

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

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Computershare		07/01/2018	Bond maturity

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
New England Asset Management	U
Greg Sutton, CFO, has access to the investment accounts and has the authority to make investment decisions on behalf of the reporting entity.	A
Ron Davies, President and CEO, has access to the investment accounts and has the authority to make investment decisions on behalf of the reporting entity.	A

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [X] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
105900	New England Asset Management	KUR85E5PS4GQFZTFC130	SEC	NO

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		$
29.2999 TOTAL		$

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		$	

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	$ 219,709,563	$ 219,252,971	$ (456,592)
30.2	Preferred Stocks	$ 0	$ 0	$ 0
30.3	Totals	$ 219,709,563	$ 219,252,971	$ (456,592)

30.4 Describe the sources or methods utilized in determining the fair values:

Fair values are based on end of period prices provided by an independent pricing service vendor such as ICE Data Services, ICE BofAML indices, Reuters, Bloomberg, Markit, Markit iBoxx, or PricingDirect. Under certain circumstances, if a vendor price is unavailable, a price may be obtained from a broker. Short term securities are valued at amortized cost.

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

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

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

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

32.2 If no, list exceptions:

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

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

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

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

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

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 480,295

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	$

36.1 Amount of payments for legal expenses, if any? $ 1,054,939

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

1 Name	2 Amount Paid
Eversheds Sutherland LLP	$ 532,415

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

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

1 Name	2 Amount Paid
	$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ] No [X]
1.2	If yes, indicate premium earned on U.S. business only.	$ 0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	$ 0
	1.31 Reason for excluding:	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	$ 0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	$ 0
1.6	Individual policies:	
	Most current three years:	
	1.61 Total premium earned	$ 0
	1.62 Total incurred claims	$ 0
	1.63 Number of covered lives	0
	All years prior to most current three years:	
	1.64 Total premium earned	$ 0
	1.65 Total incurred claims	$ 0
	1.66 Number of covered lives	0
1.7	Group policies:	
	Most current three years:	
	1.71 Total premium earned	$ 0
	1.72 Total incurred claims	$ 0
	1.73 Number of covered lives	0
	All years prior to most current three years:	
	1.74 Total premium earned	$ 0
	1.75 Total incurred claims	$ 0
	1.76 Number of covered lives	0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 0	$ 0
2.2	Premium Denominator	$ 385,295,598	$ 346,650,682
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	$ 0	$ 0
2.5	Reserve Denominator	$ 223,527,290	$ 214,349,025
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%

3.1	Does the reporting entity issue both participating and non-participating policies?	Yes [ ] No [X]
3.2	If yes, state the amount of calendar year premiums written on:	
	3.21 Participating policies	$ 0
	3.22 Non-participating policies	$ 0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:	
	4.1 Does the reporting entity issue assessable policies?	Yes [ ] No [ ]
	4.2 Does the reporting entity issue non-assessable policies?	Yes [ ] No [ ]
	4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	%
	4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	$ 0
5.	FOR RECIPROCAL EXCHANGES ONLY:	
	5.1 Does the exchange appoint local agents?	Yes [ ] No [ ]
	5.2 If yes, is the commission paid:	
	5.21 Out of Attorney's-in-fact compensation	Yes [ ] No [ ] N/A [ ]
	5.22 As a direct expense of the exchange	Yes [ ] No [ ] N/A [ ]
	5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	
	5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?	Yes [ ] No [ ]
	5.5 If yes, give full information:	

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Not applicable

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
Not applicable

6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The company writes private passenger auto insurance in 17 states and protects itself through a catastrophe reinsurance program with the limit of 100% of $1,250,000 in excess of $1,500,000.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]

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

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of *SSAP No. 62R, Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

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

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

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

11.2 If yes, give full information

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

12.11 Unpaid losses $ 0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 0

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

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

12.41 From %

12.42 To %

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

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

12.61 Letters of Credit $ 0

12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 315,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

facilities or facultative obligatory contracts) considered in the calculation of the amount.

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

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

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [X]

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

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

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

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

		1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11	Home	$ 0	$ 0	$ 0	$ 0	$ 0
16.12	Products	$ 0	$ 0	$ 0	$ 0	$ 0
16.13	Automobile	$ 0	$ 0	$ 0	$ 0	$ 0
16.14	Other*	$ 0	$ 0	$ 0	$ 0	$ 0

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance	$ 0
17.12	Unfunded portion of Interrogatory 17.11	$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	$ 0
17.14	Case reserves portion of Interrogatory 17.11	$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11	$ 0
17.16	Unearned premium portion of Interrogatory 17.11	$ 0
17.17	Contingent commission portion of Interrogatory 17.11	$ 0

18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. $ 0

18.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date. $ 0

19. Is the reporting entity licensed or charted, registered, qualified, eligible, or writing business in at least 2 states? Yes [X] No [ ]

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [ ]

FIVE-YEAR HISTORICAL DATA

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

	1 2018	2 2017	3 2016	4 2015	5 2014
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	282,288,860	257,330,354	221,687,463	222,817,235	218,533,603
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	105,054,492	101,915,110	90,508,694	93,099,400	90,242,227
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	387,343,352	359,245,464	312,196,157	315,916,635	308,775,830
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	282,288,860	257,330,354	221,687,463	222,817,235	218,533,603
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	104,999,617	101,866,743	90,454,069	93,020,442	90,152,280
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	387,288,477	359,197,097	312,141,532	315,837,677	308,685,883
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(2,204,332)	(8,084,686)	(17,819,347)	(22,989,292)	(16,920,939)
14. Net investment gain (loss) (Line 11)	7,058,223	16,283,883	8,233,878	5,730,047	10,812,886
15. Total other income (Line 15)	25,560,150	30,658,532	28,005,681	29,261,425	28,911,705
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	7,866,093	5,034,826	5,444,618	3,649,683	2,233,868
18. Net income (Line 20)	22,547,948	33,822,902	12,975,593	8,352,497	20,569,784
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	375,382,266	382,378,764	396,709,548	387,622,743	386,938,039
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	18,162,168	18,390,607	16,262,845	15,155,446	14,053,580
20.2 Deferred and not yet due (Line 15.2)	54,829,602	53,184,827	46,280,493	43,070,712	46,033,458
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	266,776,388	245,673,513	231,971,020	230,737,458	235,173,780
22. Losses (Page 3, Line 1)	109,415,119	99,860,889	102,275,408	106,252,479	102,120,944
23. Loss adjustment expenses (Page 3, Line 3)	20,073,282	22,191,924	22,450,384	25,103,193	28,786,939
24. Unearned premiums (Page 3, Line 9)	94,030,975	92,038,096	79,491,680	74,831,551	75,290,212
25. Capital paid up (Page 3, Lines 30 & 31)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	108,605,878	136,705,251	164,738,529	156,885,285	151,764,259
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	33,138,255	33,394,157	8,952,742	10,631,765	14,250,279
Risk-Based Capital Analysis					
28. Total adjusted capital	108,605,878	136,705,251	164,738,529	156,885,285	151,764,259
29. Authorized control level risk-based capital	33,972,952	28,337,822	25,217,706	25,899,126	30,162,290
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	80.7	79.6	66.2	68.4	67.6
31. Stocks (Lines 2.1 & 2.2)	0.3	0.2	15.8	15.1	16.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	9.3	9.5	9.3	9.7	10.0
34. Cash, cash equivalents and short-term investments (Line 5)	4.1	4.7	4.7	4.3	4.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	5.6	4.8	4.0	2.4	1.9
38 Receivables for securities (Line 9)		1.2	0.0		
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above lines 42 to 47	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	875,643	(6,406,340)	4,214,337	(694,152)	1,408,372
52. Dividends to stockholders (Line 35)	(53,822,902)	(50,573,853)	(10,900,000)	(10,250,000)	(2,000,000)
53. Change in surplus as regards policyholders for the year (Line 38)	(28,099,373)	(28,033,283)	7,853,252	5,121,023	22,367,276
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	152,274,021	148,903,039	143,741,737	137,527,461	130,804,852
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	58,698,508	53,242,889	54,112,698	62,324,351	60,194,920
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	210,972,529	202,145,928	197,854,435	199,851,812	190,999,772
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	149,372,418	148,903,039	143,741,737	137,552,461	129,979,852
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	58,698,508	53,242,889	54,112,698	62,324,351	60,194,920
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	208,070,926	202,145,928	197,854,435	199,876,812	190,174,772
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	56.5	57.6	63.1	64.5	58.6
68. Loss expenses incurred (Line 3)	8.9	10.1	10.4	10.0	10.5
69. Other underwriting expenses incurred (Line 4)	35.1	34.6	32.4	32.8	36.5
70. Net underwriting gain (loss) (Line 8)	(0.6)	(2.3)	(5.8)	(7.3)	(5.5)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	28.4	24.9	22.9	23.5	26.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	65.4	67.7	73.4	74.5	69.1
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	356.6	262.8	189.5	201.3	203.4
One Year Loss Development ($000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	1,171	5,155	4,011	67	(11,597)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100)	0.9	3.1	2.6	0.0	(9.0)
Two Year Loss Development ($000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	6,833	3,403	(2,778)	(18,027)	(14,998)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	4.1	2.2	(1.8)	(13.9)	(12.6)

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

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned: 1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss and Loss Expense Payments: Loss Payments: 4 Direct and Assumed	5 Ceded	Defense and Cost Containment Payments: 6 Direct and Assumed	7 Ceded	Adjusting and Other Payments: 8 Direct and Assumed	9 Ceded	10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported- Direct and Assumed
1. Prior	XXX	XXX	XXX	2,180	2,037	26		5		33	174	XXX
2. 2009	341,600	105	341,495	193,327		7,822		30,623		8,610	231,772	XXX
3. 2010	336,385	110	336,275	182,461		7,069		31,303		8,521	220,833	XXX
4. 2011	303,109	107	303,002	173,593		5,802		30,581		7,959	209,976	XXX
5. 2012	283,965	178	283,787	183,630	1,439	5,543		29,662		8,882	217,395	XXX
6. 2013	286,088	76	286,012	179,489		5,026		25,158		9,337	209,673	XXX
7. 2014	305,514	90	305,424	193,655	800	4,476		28,417		10,019	225,749	XXX
8. 2015	316,375	79	316,296	208,680		4,059		28,289		9,738	241,029	XXX
9. 2016	307,537	55	307,482	189,871	864	3,155		28,570		9,953	220,731	XXX
10. 2017	346,698	48	346,650	176,375		1,631		28,253		11,855	206,259	XXX
11. 2018	385,350	55	385,296	132,782		287		25,960		7,880	159,030	XXX
12. Totals	XXX	XXX	XXX	1,816,042	5,141	44,898	0	286,822	0	92,785	2,142,621	XXX

	Losses Unpaid: Case Basis: 13 Direct and Assumed	14 Ceded	Bulk + IBNR: 15 Direct and Assumed	16 Ceded	Defense and Cost Containment Unpaid: Case Basis: 17 Direct and Assumed	18 Ceded	Bulk + IBNR: 19 Direct and Assumed	20 Ceded	Adjusting and Other Unpaid: 21 Direct and Assumed	22 Ceded	23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
1. Prior	26											26	XXX
2. 2009	86											86	XXX
3. 2010	34						9		10		5	54	XXX
4. 2011	76						13		6		11	95	XXX
5. 2012	193						38		16		22	246	XXX
6. 2013	480						69		41		66	589	XXX
7. 2014	317						193		40		303	551	XXX
8. 2015	1,574						579		141		341	2,293	XXX
9. 2016	4,584		1,141				1,933		455		396	8,112	XXX
10. 2017	15,688		2,144				3,161		1,513		1,014	22,506	XXX
11. 2018	66,897		16,178				4,978		6,877		4,352	94,930	XXX
12. Totals	89,952	0	19,463	0	0	0	10,973	0	9,100	0	6,510	129,488	XXX

	Total Losses and Loss Expenses Incurred: 26 Direct and Assumed	27 Ceded	28 Net	Loss and Loss Expense Percentage (Incurred/Premiums Earned): 29 Direct and Assumed	30 Ceded	31 Net	Nontabular Discount: 32 Loss	33 Loss Expense	34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount: 35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	26	0
2. 2009	231,858	0	231,858	67.9	0.0	67.9				86	0
3. 2010	220,886	0	220,886	65.7	0.0	65.7				34	20
4. 2011	210,072	0	210,072	69.3	0.0	69.3				76	19
5. 2012	219,081	1,439	217,642	77.2	808.4	76.7				193	54
6. 2013	210,262	0	210,262	73.5	0.0	73.5				480	109
7. 2014	227,099	800	226,299	74.3	888.9	74.1				317	234
8. 2015	243,322	0	243,322	76.9	0.0	76.9				1,574	720
9. 2016	229,708	864	228,843	74.7	1,571.7	74.4				5,725	2,388
10. 2017	228,765	0	228,765	66.0	0.0	66.0				17,831	4,675
11. 2018	253,960	0	253,960	65.9	0.0	65.9				83,075	11,855
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	109,415	20,073

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										DEVELOPMENT	
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 One Year	12 Two Year
1. Prior	47,385	41,077	37,369	35,850	35,213	34,698	34,349	34,269	35,271	34,425	(846)	156
2. 2009	211,250	205,584	203,172	202,388	201,887	201,623	201,433	201,258	201,256	201,234	(22)	(24)
3. 2010	XXX	200,411	193,311	192,624	191,191	190,691	190,065	189,711	189,598	189,573	(25)	(138)
4. 2011	XXX	XXX	180,230	184,439	182,247	182,000	180,518	179,598	179,482	179,485	3	(113)
5. 2012	XXX	XXX	XXX	199,689	193,680	190,980	189,353	188,180	188,427	187,964	(463)	(216)
6. 2013	XXX	XXX	XXX	XXX	195,230	187,859	185,703	185,426	185,186	185,063	(123)	(363)
7. 2014	XXX	XXX	XXX	XXX	XXX	191,816	198,313	198,447	196,995	197,842	847	(605)
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	207,355	214,211	214,277	214,892	615	681
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	192,362	198,125	199,819	1,694	7,457
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	199,507	198,999	(508)	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	221,122	XXX	XXX
										12. Totals	1,171	6,833

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										11	12
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	21,669	29,718	32,704	33,547	33,923	34,041	34,144	34,230	34,399	XXX	XXX
2. 2009	119,095	174,426	191,267	198,029	200,132	200,750	200,984	201,074	201,164	201,149	XXX	XXX
3. 2010	XXX	111,856	164,224	182,000	187,063	188,526	189,075	189,341	189,523	189,530	XXX	XXX
4. 2011	XXX	XXX	106,911	157,100	171,843	177,529	178,798	179,159	179,269	179,396	XXX	XXX
5. 2012	XXX	XXX	XXX	114,895	165,078	179,746	185,204	186,932	187,539	187,734	XXX	XXX
6. 2013	XXX	XXX	XXX	XXX	109,773	162,054	176,706	182,133	183,935	184,515	XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX	119,693	175,478	189,684	195,761	197,331	XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	126,872	189,868	207,008	212,740	XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	117,402	176,430	192,161	XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	122,314	178,007	XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	133,069	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)									
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018
1. Prior	17,149	7,905	3,884	1,532	911	313	2			
2. 2009	20,899	8,480	4,799	1,636	708	335	113	10	7	
3. 2010	XXX	21,439	10,266	4,374	1,702	817	261	31	17	9
4. 2011	XXX	XXX	19,934	11,473	4,436	1,961	832	32	11	13
5. 2012	XXX	XXX	XXX	26,012	10,472	4,097	1,516	276	460	38
6. 2013	XXX	XXX	XXX	XXX	27,125	6,930	2,546	875	272	69
7. 2014	XXX	XXX	XXX	XXX	XXX	17,565	5,835	2,388	204	193
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	19,378	6,183	2,357	579
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,387	7,638	3,074
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,009	5,305
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,156

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	L	12,777,888	13,092,434		8,201,349	7,687,448	3,838,813	1,085,902	
4. Arkansas AR	L								
5. California CA	L	7,099,558	7,639,177		5,269,124	3,114,321	1,984,403	819,446	
6. Colorado CO	L								
7. Connecticut CT	N								
8. Delaware DE	N								
9. District of Columbia DC	N								
10. Florida FL	N								
11. Georgia GA	L	30,639,136	31,283,635		18,770,366	19,141,967	10,375,245	1,454,299	
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	L	15,908,823	16,476,915		10,161,591	10,755,907	5,368,460	1,256,200	
15. Indiana IN	L	37,210,659	35,899,479		20,040,635	20,985,217	9,694,337	4,297,573	
16. Iowa IA	N								
17. Kansas KS	L	3,825,269	3,760,982		1,904,741	2,279,083	960,064	215,922	
18. Kentucky KY	L	49,445,539	50,637,824		26,778,822	29,090,315	15,771,364	3,178,284	
19. Louisiana LA	L	9,007,470	8,827,771		6,442,328	6,596,304	2,855,222	227,228	
20. Maine ME	N								
21. Maryland MD	N								
22. Massachusetts MA	N								
23. Michigan MI	N								
24. Minnesota MN	N								
25. Mississippi MS	L	3,759,257	3,663,648		2,286,777	2,417,667	1,125,896	260,183	
26. Missouri MO	L	10,063,127	9,911,387		6,002,532	6,382,656	3,270,164	649,092	
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	L				2,166,960	927,468	311,830		
30. New Hampshire NH	N								
31. New Jersey NJ	N								
32. New Mexico NM	N								
33. New York NY	N								
34. North Carolina NC	N								
35. North Dakota ND	N								
36. Ohio OH	L	78,409,037	77,960,106		41,956,095	44,131,548	19,891,784	6,334,726	
37. Oklahoma OK	L	9,990,091	9,712,006		5,060,181	5,976,297	2,689,203	795,340	
38. Oregon OR	N								
39. Pennsylvania PA	L	60,721,630	57,627,359		25,249,680	30,375,494	16,734,970	4,954,637	
40. Rhode Island RI	N								
41. South Carolina SC	L	14,193,424	13,043,375		6,224,139	6,617,217	3,845,545	638,737	
42. South Dakota SD	N								
43. Tennessee TN	L	12,132,555	12,493,422		7,135,367	6,958,070	2,851,063	874,595	
44. Texas TX	L	25,155,540	26,285,767		13,115,346	13,438,533	5,687,069	966,889	
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	L	7,004,350	7,035,186		3,892,998	4,134,219	1,725,428	551,978	
48. Washington WA	N								
49. West Virginia WV	N								
50. Wisconsin WI	N								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. US Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	XXX	387,343,353	385,350,473	0	210,659,031	221,009,731	108,980,860	28,561,031	0

DETAILS OF WRITE-INS

58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

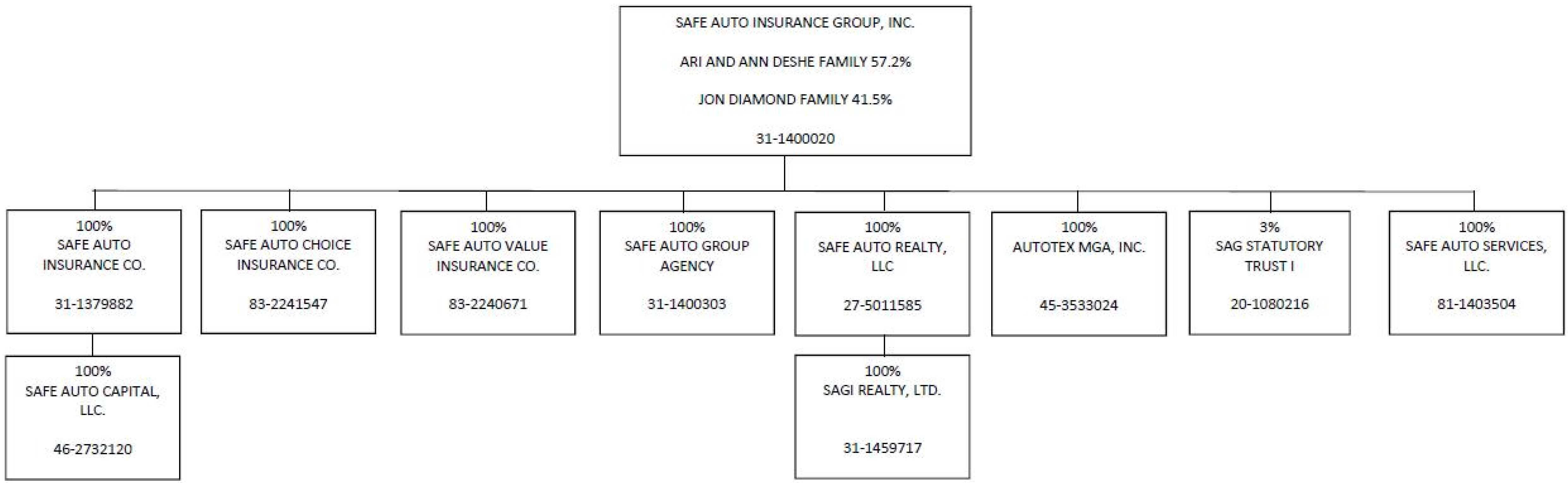
The Basis of Allocation of Premiums by State was determined by the principle garage location as of the effective date of the policy coverage.

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	20	R - Registered - Non-domiciled RRGs	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)	0	Q - Qualified - Qualified or accredited reinsurer	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile	0	N - None of the above - Not allowed to write business in the state	37

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



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