



# ANNUAL STATEMENT

For the Year Ended December 31, 2019

of the Condition and Affairs of the

## MOTORISTS MUTUAL INSURANCE COMPANY

NAIC Group Code.....	291, 291	NAIC Company Code.....	14621	Employer's ID Number.....	31-4259550
	(Current Period) (Prior Period)				
Organized under the Laws of OH		State of Domicile or Port of Entry	OH	Country of Domicile	US
Incorporated/Organized.....	November 8, 1928	Commenced Business.....	November 27, 1928		
Statutory Home Office		471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215			
		(Street and Number) (City or Town, State, Country and Zip Code)			
Main Administrative Office		471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215		614-225-8211	
		(Street and Number) (City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address		471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215			
		(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records		471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215		614-225-8211	
		(Street and Number) (City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	ENCOVA.COM				
Statutory Statement Contact	AMY E KUHLMAN			614-225-8285	
	(Name)			(Area Code) (Telephone Number) (Extension)	
	ACCOUNTING@ENCOVA.COM			614-225-8330	
	(E-Mail Address)			(Fax Number)	

### OFFICERS

Name	Title	Name	Title
1. THOMAS JOSEPH OBROKTA JR.	PRESIDENT & CHIEF EXECUTIVE OFFICER	2. MARCHELLE ELAINE MOORE	SECRETARY
#			
3. JAMES CHRISTOPHER HOWAT	TREASURER	4.	
GREGORY ARTHUR BURTON	EXECUTIVE CHAIR	JOHN CHRISTOPHER KESSLER	CHIEF STRATEGY OFFICER
TERESA MARIE KING	CHIEF CLAIMS OFFICER	ANTHONY LASKA	CHIEF INFORMATION OFFICER
WILLIAM JOSEPH MCGEE JR.	CHIEF RISK OFFICER	MARCHELLE ELAINE MOORE	CHIEF LEGAL OFFICER
MARK LAURENCE PEACOCK #	CHIEF HUMAN RESOURCES OFFICER		

### OTHER

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

State of..... OHIO  
County of.... FRANKLIN

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

(Signature)	(Signature)	(Signature)
THOMAS JOSEPH OBROKTA JR.	MARCHELLE ELAINE MOORE	JAMES CHRISTOPHER HOWAT
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
PRESIDENT & CHIEF EXECUTIVE OFFICER	SECRETARY	TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This 7th day of February 2020

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

Yes [X] No [ ]

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	682,454,182		682,454,182	654,241,684
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	301,113,319		301,113,319	253,799,543
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).....	31,346,858		31,346,858	28,032,376
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	1,772,277		1,772,277	1,790,594
4.3 Properties held for sale (less \$.....0 encumbrances).....	1,124,328		1,124,328	1,053,370
5. Cash (\$....(23,378,133), Schedule E-Part 1), cash equivalents (\$....35,948,535, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	12,570,402		12,570,402	20,550,622
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	143,714,864	30,786,190	112,928,674	104,486,784
9. Receivables for securities.....	190,000		190,000	225,041
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).....	1,174,286,229	30,786,190	1,143,500,039	1,064,180,014
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	5,207,762		5,207,762	5,676,800
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	53,083,038	2,202	53,080,836	48,394,901
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....2,039,400 earned but unbilled premiums).....	79,595,814	2,543,274	77,052,540	117,201,076
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	38,639,208		38,639,208	44,593,596
16.2 Funds held by or deposited with reinsured companies.....	297,663,274		297,663,274	221,575,737
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.....	4,198,029		4,198,029	2,203,754
18.2 Net deferred tax asset.....	49,039,679	9,856,861	39,182,819	35,669,126
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	43,365,682	41,034,169	2,331,513	1,772,370
21. Furniture and equipment, including health care delivery assets (\$.....0).....	4,853,475	4,853,475	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	36,946,206		36,946,206	18,474,315
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	65,385,565	9,926,817	55,458,748	52,839,006
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,852,263,962	99,002,988	1,753,260,974	1,612,580,695
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	1,852,263,962	99,002,988	1,753,260,974	1,612,580,695

**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. ICOLI cash surrender value.....	43,360,657		43,360,657	37,847,337
2502. Pooled general expenses receivable.....	10,840,267		10,840,267	13,831,768
2503. Equities and deposits in pools and associations.....	689,786		689,786	591,864
2598. Summary of remaining write-ins for Line 25 from overflow page.....	10,494,855	9,926,817	568,038	568,038
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	65,385,565	9,926,817	55,458,748	52,839,006

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	511,170,241	500,780,495
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	24,962,568	28,316,865
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	89,156,870	91,051,094
4. Commissions payable, contingent commissions and other similar charges.....	13,190,211	13,735,592
5. Other expenses (excluding taxes, licenses and fees).....	24,661,818	25,287,957
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,836,455	5,072,725
7.1 Current federal and foreign income taxes (including \$....(79,220) on realized capital gains (losses)).....	.....	.....
7.2 Net deferred tax liability.....	.....	.....
8. Borrowed money \$.....0 and interest thereon \$.....0.....	9,498,000	726,000
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....337,982,870 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).....	161,372,870	156,011,014
10. Advance premium.....	1,572,929	2,952,942
11. Dividends declared and unpaid:		
11.1 Stockholders.....	.....	.....
11.2 Policyholders.....	567,145	1,496,510
12. Ceded reinsurance premiums payable (net of ceding commissions).....	68,345,401	58,775,958
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	223,125,017	199,640,602
14. Amounts withheld or retained by company for account of others.....	6,684,038	6,601,066
15. Remittances and items not allocated.....	750,836	1,393,422
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....	42,160	.....
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	.....	.....
18. Drafts outstanding.....	.....	.....
19. Payable to parent, subsidiaries and affiliates.....	27,114,556	7,682,543
20. Derivatives.....	.....	.....
21. Payable for securities.....	1,003,590	.....
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.....	60,738,759	63,200,962
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,228,793,463	1,162,725,747
27. Protected cell liabilities.....	.....	.....
28. Total liabilities (Lines 26 and 27).....	1,228,793,463	1,162,725,747
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	.....	.....
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.....	.....	.....
35. Unassigned funds (surplus).....	524,467,508	449,854,944
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).....	524,467,508	449,854,944
38. TOTAL (Page 2, Line 28, Col. 3).....	1,753,260,971	1,612,580,692

**DETAILS OF WRITE-INS**

2501. Retiree benefit obligations.....	44,836,930	45,522,964
2502. Pooled general expenses payable.....	11,210,792	14,365,174
2503. Miscellaneous liabilities.....	3,760,857	1,910,980
2598. Summary of remaining write-ins for Line 25 from overflow page.....	930,181	1,401,844
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	60,738,759	63,200,962
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

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	348,694,259	352,114,208
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	188,258,398	191,293,325
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	52,479,259	48,998,326
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	115,078,910	93,983,631
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	355,816,568	334,275,281
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(7,122,309)	17,838,927
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	37,035,494	34,912,411
10. Net realized capital gains (losses) less capital gains tax of \$....(2,501,342) (Exhibit of Capital Gains (Losses)).....	3,575,589	13,756,722
11. Net investment gain (loss) (Lines 9 + 10).....	40,611,082	48,669,132
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$....648,225).....	(648,225)	(419,234)
13. Finance and service charges not included in premiums.....	1,219,022	1,181,841
14. Aggregate write-ins for miscellaneous income.....	10,480,302	(6,480,579)
15. Total other income (Lines 12 through 14).....	11,051,100	(5,717,973)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	44,539,874	60,790,087
17. Dividends to policyholders.....	908,275	2,200,089
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).....	43,631,599	58,589,998
19. Federal and foreign income taxes incurred.....	650,861	(4,686,042)
20. Net income (Line 18 minus Line 19) (to Line 22).....	42,980,738	63,276,040
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	449,854,942	460,665,899
22. Net income (from Line 20).....	42,980,738	63,276,040
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....8,948,626.....	36,990,792	(51,313,795)
25. Change in net unrealized foreign exchange capital gain (loss).....	115,538	70,389
26. Change in net deferred income tax.....	(5,190,804)	(11,151,472)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(241,543)	(11,692,379)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(42,160)	261
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.....		
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).....	74,612,560	(10,810,956)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	524,467,503	449,854,942

**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. Change in ICOLI cash surrender value.....	5,513,321	(6,072,243)
1402. ICOLI Death Benefit Proceeds.....	4,589,843	
1403. Miscellaneous income or expense.....	665,411	(85,395)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(288,272)	(322,942)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	10,480,302	(6,480,579)
3701. Net change in retiree benefit obligations.....		
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

# MOTORISTS MUTUAL INSURANCE COMPANY

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	344,884,710	326,431,180
2. Net investment income.....	40,626,206	38,944,398
3. Miscellaneous income.....	6,474,218	(114,411,262)
4. Total (Lines 1 through 3).....	391,985,135	250,964,317
5. Benefit and loss related payments.....	175,264,755	45,540,317
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	171,027,837	124,406,600
8. Dividends paid to policyholders.....	1,837,640	4,126,879
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	143,794	(14,172,606)
10. Total (Lines 5 through 9).....	348,274,026	159,901,191
11. Net cash from operations (Line 4 minus Line 10).....	43,711,109	91,063,126
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	130,279,931	170,831,757
12.2 Stocks.....	10,571,357	72,858,298
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	4,532,590	1,238,556
12.5 Other invested assets.....	12,113,486	15,808,545
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	12	.....
12.7 Miscellaneous proceeds.....	102,204	466,020
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	157,599,580	261,203,176
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	160,215,470	263,941,333
13.2 Stocks.....	15,572,684	85,682,128
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	7,083,895	2,591,371
13.5 Other invested assets.....	11,850,883	18,573,255
13.6 Miscellaneous applications.....	(1,003,590)	75,966
13.7 Total investments acquired (Lines 13.1 to 13.6).....	193,719,342	370,864,053
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).....	(36,119,761)	(109,660,877)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):	.....	.....
16.1 Surplus notes, capital notes.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....	.....
16.3 Borrowed funds.....	8,772,000	726,000
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	.....	.....
16.6 Other cash provided (applied).....	(24,343,568)	16,631,315
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(15,571,568)	17,357,315
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(7,980,220)	(1,240,436)
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	20,550,622	21,791,058
19.2 End of year (Line 18 plus Line 19.1).....	12,570,402	20,550,622

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

20.0001 .....	.....
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**MOTORISTS MUTUAL INSURANCE COMPANY**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums 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.....	1,418,595	1,078,112	699,580	1,797,128
2. Allied lines.....	1,312,956	1,127,732	676,137	1,764,550
3. Farmowners multiple peril.....	1,787,943	856,119	834,229	1,809,834
4. Homeowners multiple peril.....	27,389,123	16,380,247	14,590,168	29,179,202
5. Commercial multiple peril.....	39,027,222	14,706,106	20,471,850	33,261,478
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	72,221	37,363	35,466	74,118
9. Inland marine.....	7,037,515	3,454,150	3,302,146	7,189,519
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	0	0	0	0
11.2 Medical professional liability - claims-made.....	0	0	0	0
12. Earthquake.....	509,812	288,985	235,145	563,652
13. Group accident and health.....	0	0	0	0
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	89	0	0	89
16. Workers' compensation.....	152,025,596	61,344,640	68,658,157	144,712,080
17.1 Other liability - occurrence.....	23,178,851	13,870,486	10,354,573	26,694,764
17.2 Other liability - claims-made.....	625,389	59,284	388,690	295,983
17.3 Excess workers' compensation.....	0	0	0	0
18.1 Products liability - occurrence.....	1,169,289	892,734	469,551	1,592,472
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	20,837,430	8,918,560	7,681,723	22,074,268
19.3, 19.4 Commercial auto liability.....	37,650,355	16,726,961	17,846,065	36,531,251
21. Auto physical damage.....	34,714,704	15,561,896	14,356,029	35,920,571
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	215,627	145,372	82,108	278,892
24. Surety.....	0	0	0	0
26. Burglary and theft.....	474,732	191,963	245,759	420,937
27. Boiler and machinery.....	235,184	190,325	144,108	281,401
28. Credit.....	0	0	0	0
29. International.....	0	0	0	0
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	1,959,096	106,321	124,623	1,940,793
32. Reinsurance - nonproportional assumed liability.....	2,414,386	73,656	176,764	2,311,279
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	354,056,115	156,011,014	161,372,870	348,694,259

**DETAILS OF WRITE-INS**

3401. ....	0	0	0	0
3402. ....	0	0	0	0
3403. ....	0	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

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**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.....	699,580				699,580
2. Allied lines.....	676,137				676,137
3. Farmowners multiple peril.....	834,229				834,229
4. Homeowners multiple peril.....	14,590,168				14,590,168
5. Commercial multiple peril.....	20,471,850				20,471,850
6. Mortgage guaranty.....					0
8. Ocean marine.....	35,466				35,466
9. Inland marine.....	3,302,146				3,302,146
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....	235,145				235,145
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....	68,658,157				68,658,157
17.1 Other liability - occurrence.....	10,354,573				10,354,573
17.2 Other liability - claims-made.....	388,690				388,690
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....	469,551				469,551
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....	7,681,723				7,681,723
19.3, 19.4 Commercial auto liability.....	17,846,065				17,846,065
21. Auto physical damage.....	14,356,029				14,356,029
22. Aircraft (all perils).....					0
23. Fidelity.....	82,108				82,108
24. Surety.....					0
26. Burglary and theft.....	245,759				245,759
27. Boiler and machinery.....	144,108				144,108
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....	124,623				124,623
32. Reinsurance - nonproportional assumed liability.....	176,764				176,764
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	161,372,870	0	0	0	161,372,870
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					161,372,870

**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
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:

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	2,025,855	2,152,028	287,317	2,959,785	86,819	1,418,595
2. Allied lines.....	2,222,314	1,706,739	196,873	2,739,377	73,594	1,312,956
3. Farmowners multiple peril.....		5,300,870	217,474	3,730,401		1,787,943
4. Homeowners multiple peril.....	55,024,802	28,507,093	2,828,175	57,145,207	1,825,740	27,389,123
5. Commercial multiple peril.....	41,918,004	80,617,763	716,188	81,427,166	2,797,568	39,027,222
6. Mortgage guaranty.....						0
8. Ocean marine.....	227,036			150,682	4,133	72,221
9. Inland marine.....	10,657,596	11,258,717	10,214	14,683,211	205,801	7,037,515
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....	1,382,307	213,081	339	1,063,681	22,235	509,812
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....		275		186		89
16. Workers' compensation.....	4,216,828	464,244,959	832,189	317,189,207	79,173	152,025,596
17.1 Other liability - occurrence.....	56,054,986	20,227,908	1,450,567	48,360,812	6,193,799	23,178,851
17.2 Other liability - claims-made.....		1,930,213		1,304,824		625,389
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....	3,156,238	457,402		2,439,628	4,723	1,169,289
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	48,557,677	15,817,740	(62,360)	43,475,626		20,837,430
19.3, 19.4 Commercial auto liability.....	52,267,188	63,446,226	521,063	78,554,444	29,678	37,650,355
21. Auto physical damage.....	68,801,989	39,365,332	1,450	72,429,443	1,024,625	34,714,704
22. Aircraft (all perils).....						0
23. Fidelity.....	666,614	(155)		449,889	943	215,627
24. Surety.....						0
26. Burglary and theft.....	238,203	1,227,276	99	990,491	355	474,732
27. Boiler and machinery.....	1,973,481	435,855		490,692	1,683,460	235,184
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX		6,046,591	4,087,496		1,959,096
32. Reinsurance - nonproportional assumed liability.....	XXX		7,451,808	5,037,422		2,414,386
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.....	349,391,119	736,909,325	20,497,987	738,709,671	14,032,645	354,056,115

**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 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	548,276	1,661,914	1,494,088	716,101	164,797	331,323	549,575	30.6
2. Allied lines.....	981,048	2,706,483	2,492,772	1,194,759	147,425	277,854	1,064,330	60.3
3. Farmowners multiple peril.....		4,219,057	2,852,082	1,366,974	213,620	371,670	1,208,924	66.8
4. Homeowners multiple peril.....	33,226,439	21,637,242	37,087,914	17,775,767	4,581,717	4,561,993	17,795,491	61.0
5. Commercial multiple peril.....	35,739,244	20,361,129	39,031,857	17,068,516	11,887,501	8,531,148	20,424,868	61.4
6. Mortgage guaranty.....				0	0	0	0	0.0
8. Ocean marine.....	126,793	(10)	85,705	41,078	3,055	2,079	42,054	56.7
9. Inland marine.....	3,668,297	4,964,686	5,835,897	2,797,086	390,693	598,505	2,589,275	36.0
10. Financial guaranty.....				0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....				0	0	0	0	0.0
11.2 Medical professional liability - claims-made.....				0	0	0	0	0.0
12. Earthquake.....				0	0	0	0	0.0
13. Group accident and health.....				0	0	0	0	0.0
14. Credit accident and health (group and individual).....				0	0	0	0	0.0
15. Other accident and health.....		349	236	113	(933)	(933)	113	127.0
16. Workers' compensation.....	8,136,229	188,462,748	133,011,527	63,587,450	372,798,389	370,381,261	66,004,578	45.6
17.1 Other liability - occurrence.....	27,485,407	11,636,001	27,800,104	11,321,305	37,539,738	35,207,727	13,653,315	51.1
17.2 Other liability - claims-made.....		37,405	25,286	12,119	203,724	36,748	179,095	60.5
17.3 Excess workers' compensation.....				0	0	0	0	0.0
18.1 Products liability - occurrence.....	2,351,445	1,555,314	2,640,969	1,265,790	4,393,348	4,727,081	932,057	58.5
18.2 Products liability - claims-made.....				0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....	31,472,167	13,368,343	30,934,815	13,905,695	15,973,047	18,511,630	11,367,112	51.5
19.3, 19.4 Commercial auto liability.....	44,311,050	24,706,812	47,129,774	21,888,088	51,726,867	45,928,892	27,686,064	75.8
21. Auto physical damage.....	43,659,231	25,015,670	46,499,402	22,175,499	1,706,534	2,516,846	21,365,187	59.5
22. Aircraft (all perils).....				0	0	0	0	0.0
23. Fidelity.....	303,361	(1,710)	203,916	.97,735	62,208	92,216	67,727	24.3
24. Surety.....				0	16,200	16,200	0	0.0
26. Burglary and theft.....	.20,977	.209,352	.155,702	.74,627	.57,814	.20,127	.112,313	.26.7
27. Boiler and machinery.....	707,361	.81,086	.776,101	.12,346	.103,974	.121,985	(.5,664)	(2.0)
28. Credit.....				0	0	0	0	0.0
29. International.....				0	0	0	0	0.0
30. Warranty.....				0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX.....	5,681,469	3,840,673	1,840,796	2,332,031	2,388,346	1,784,481	91.9
32. Reinsurance - nonproportional assumed liability.....	XXX.....	2,243,235	1,516,427	.726,808	.6,868,493	.6,157,798	1,437,502	62.2
33. Reinsurance - nonproportional assumed financial lines.....	XXX.....			0	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.....	232,737,326	328,546,575	383,415,248	177,868,653	511,170,241	500,780,495	188,258,398	54.0
<b>DETAILS OF WRITE-INS</b>								
3401. ....				0	0	0	0	0.0
3402. ....				0	0	0	0	0.0
3403. ....				0	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**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	13,519	151,464	111,529	53,455	80,360	263,288	232,306	164,797	(26,645)
2. Allied lines.....	13,824	281,972	199,958	95,838	89,365	69,853	107,631	147,425	(44,284)
3. Farmowners multiple peril.....		421,283	284,787	136,496		350,731	273,607	213,620	8,274
4. Homeowners multiple peril.....	6,118,372	5,036,928	8,424,959	2,730,340	3,452,572	2,562,697	4,163,893	4,581,717	778,859
5. Commercial multiple peril.....	15,284,160	15,241,977	23,119,464	7,406,672	2,188,850	11,662,648	9,370,669	11,887,501	1,856,924
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....		577	390	187	8,852		5,984	3,055	44
9. Inland marine.....	222,329	175,811	269,606	128,533	491,434	317,701	546,975	390,693	110,109
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	0	0			933	(a)	(933)
16. Workers' compensation.....	14,525,897	546,784,206	380,285,296	181,024,807	7,457,183	584,436,587	400,120,188	372,798,389	51,880,772
17.1 Other liability - occurrence.....	31,206,563	19,685,500	34,522,974	16,369,089	47,190,691	22,365,817	48,385,859	37,539,738	17,738,144
17.2 Other liability - claims-made.....		190,132	128,529	61,603		438,646	296,525	203,724	80,849
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....	2,480,100	1,922,531	2,976,179	1,426,453	2,371,127	6,785,959	6,190,190	4,393,348	2,625,242
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	29,443,276	10,532,650	29,337,963	10,637,963	7,749,000	9,103,001	11,516,917	15,973,047	2,786,664
19.3, 19.4 Commercial auto liability.....	46,114,697	41,297,381	59,475,780	27,936,297	40,435,000	34,802,040	51,446,469	51,726,867	11,598,573
21. Auto physical damage.....	3,580,360	2,599,194	4,476,368	1,703,186		10,333	6,985	1,706,534	(484,371)
22. Aircraft (all perils).....				0				0	
23. Fidelity.....	6,000	0	4,056	1,944	186,000		125,736	62,208	19,116
24. Surety.....		50,000	33,800	16,200				16,200	
26. Burglary and theft.....		129,291	87,401	41,890	12,419	36,728	33,223	57,814	7,362
27. Boiler and machinery.....	195,579	125,329	216,934	103,974				103,974	15,853
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX	5,816,419	3,931,899	1,884,520	XXX	1,381,207	933,696	2,332,031	50,787
32. Reinsurance - nonproportional assumed liability.....	XXX	7,336,351	4,959,373	2,376,978	XXX	13,862,701	9,371,186	6,868,493	154,599
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	XXX	0	0	0	
34. Aggregate write-ins for other lines of business.....		0	0	0	0	0	0	0	0
35. TOTALS.....	149,204,676	657,778,996	552,847,247	254,136,425	111,712,853	688,449,936	543,128,974	511,170,241	89,156,870

**DETAILS OF WRITE-INS**

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.

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**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.....	15,235,694			15,235,694
1.2 Reinsurance assumed.....	40,216,508			40,216,508
1.3 Reinsurance ceded.....	37,533,530			37,533,530
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	17,918,673	0	0	17,918,673
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		55,130,612		55,130,612
2.2 Reinsurance assumed, excluding contingent.....		86,735,635		86,735,635
2.3 Reinsurance ceded, excluding contingent.....		96,001,824		96,001,824
2.4 Contingent - direct.....		5,905,330		5,905,330
2.5 Contingent - reinsurance assumed.....		4,256,064		4,256,064
2.6 Contingent - reinsurance ceded.....		6,869,102		6,869,102
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	49,156,715	0	49,156,715
3. Allowances to manager and agents.....		2,845		2,845
4. Advertising.....		2,994,081		2,994,081
5. Boards, bureaus and associations.....	274,359	1,646,178	24,707	1,945,244
6. Surveys and underwriting reports.....	260,976	1,618,392	31,108	1,910,477
7. Audit of assureds' records.....	40,014	50,926	-	90,940
8. Salary and related items:				
8.1 Salaries.....	18,220,816	24,864,203	514,810	43,599,829
8.2 Payroll taxes.....	1,150,877	1,353,763	405	2,505,045
9. Employee relations and welfare.....	4,755,899	6,246,565	68,571	11,071,035
10. Insurance.....	252,198	385,229	5,024	642,451
11. Directors' fees.....	249,347	566,697	74,243	890,286
12. Travel and travel items.....	734,445	2,267,151	74,290	3,075,886
13. Rent and rent items.....	2,656,269	900,180	18,931	3,575,380
14. Equipment.....	3,150,318	4,311,211	69,334	7,530,863
15. Cost or depreciation of EDP equipment and software.....	2,455,417	2,713,217	24,922	5,193,556
16. Printing and stationery.....	147,463	246,481	2,968	396,912
17. Postage, telephone and telegraph, exchange and express.....	951,298	1,192,973	41,690	2,185,961
18. Legal and auditing.....	418,078	389,260	1,177,544	1,984,882
19. Totals (Lines 3 to 18).....	35,717,774	51,749,353	2,128,547	89,595,674
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....9,239.....		7,423,053		7,423,053
20.2 Insurance department licenses and fees.....		1,057,199		1,057,199
20.3 Gross guaranty association assessments.....		327,149		327,149
20.4 All other (excluding federal and foreign income and real estate).....		145,429		145,429
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	8,952,830	0	8,952,830
21. Real estate expenses.....			4,284,516	4,284,516
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	(1,157,187)	5,220,012	47,777	4,110,602
25. Total expenses incurred.....	52,479,259	115,078,910	6,460,840	(a).....174,019,009
26. Less unpaid expenses - current year.....	89,156,871	41,202,957	1,485,524	131,845,352
27. Add unpaid expenses - prior year.....	91,051,093	42,415,082	1,681,015	135,147,190
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).....	54,373,482	116,291,035	6,656,331	177,320,848

**DETAILS OF WRITE-INS**

2401. Consulting fees.....	1,804,438	2,712,639	43,303	4,560,380
2402. Reinsurance assumed overhead.....		1,029,462		1,029,462
2403. Donations and contributions.....		670,579		670,579
2498. Summary of remaining write-ins for Line 24 from overflow page.....	(2,961,625)	807,333	4,473	(2,149,819)
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	(1,157,187)	5,220,012	47,777	4,110,602

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

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....415,720	.....396,204
1.1 Bonds exempt from U.S. tax.....	(a).....4,562,925	.....4,055,730
1.2 Other bonds (unaffiliated).....	(a).....17,576,801	.....17,701,566
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....5,881,725	.....5,889,675
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....7,508,932	.....7,508,932
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....609,134	.....534,092
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....7,579,465	.....7,579,465
9. Aggregate write-ins for investment income.....	.....838,148	.....838,148
10. Total gross investment income.....	.....44,972,850	.....44,503,812
11. Investment expenses.....	(g).....	.....6,460,840
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).....1,007,478	.....
15. Aggregate write-ins for deductions from investment income.....	.....0	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....7,468,318
17. Net investment income (Line 10 minus Line 16).....	.....	.....37,035,494

**DETAILS OF WRITE-INS**

0901. Miscellaneous income.....	807,308	.....807,308
0902. Security lending income.....	17,823	.....17,823
0903. Prior year income.....	13,017	.....13,017
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).....	838,148	.....838,148
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....0	.....0

- (a) Includes \$....859,688 accrual of discount less \$....3,348,946 amortization of premium and less \$....316,561 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 \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$....5,402 accrual of discount less \$....3,128 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 \$....1,007,478 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.....	200,502	.....	200,502	.....172,286	.....
1.1 Bonds exempt from U.S. tax.....	105,046	.....	105,046	.....	.....
1.2 Other bonds (unaffiliated).....	87,700	.....	87,700	.....21,110	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	(770,495)	.....	(770,495)	.....36,783,727	.....
2.21 Common stocks of affiliates.....	.....	.....	0	.....6,052,790	.....
3. Mortgage loans.....	.....	.....	0	.....	.....
4. Real estate.....	1,823,296	.....	1,823,296	.....	.....
5. Contract loans.....	.....	.....	0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.12	.....	.12	.....(0)	.....
7. Derivative instruments.....	.....	.....	0	.....	.....
8. Other invested assets.....	(395,499)	(43,478)	(438,977)	.....2,909,505	.....115,538
9. Aggregate write-ins for capital gains (losses).....	67,163	0	67,163	0	0
10. Total capital gains (losses).....	1,117,724	(43,478)	1,074,246	.....45,939,417	.....115,538

**DETAILS OF WRITE-INS**

0901. Prior year gains.....	67,163	.....	67,163	.....	.....
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).....	67,163	0	67,163	0	0

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**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.....		246,428	246,428
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).....	30,786,190	34,265,677	3,479,487
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).....	30,786,190	34,512,105	3,725,915
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.....	2,202	4,662	2,460
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	2,543,274	2,418,152	(125,123)
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.....	9,856,861	27,509,985	17,653,124
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	41,034,169	22,256,228	(18,777,940)
21. Furniture and equipment, including health care delivery assets.....	4,853,475	4,687,698	(165,777)
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.....	9,926,817	7,372,615	(2,554,202)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	99,002,988	98,761,445	(241,543)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	99,002,988	98,761,445	(241,543)

**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.....	6,588,532	5,801,518	(787,014)
2502. Other Than Invested Assets.....	1,937,943		(1,937,943)
2503. Automobiles.....	651,820	917,873	266,053
2598. Summary of remaining write-ins for Line 25 from overflow page.....	748,522	653,224	(95,298)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	9,926,817	7,372,615	(2,554,202)

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

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

	SSAP #	F/S Page	F/S Line #	2019	2018
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 42,980,738	\$ 63,276,040
(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	\$ 42,980,738	\$ 63,276,040
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 524,467,508	\$ 449,854,944
(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	\$ 524,467,508	\$ 449,854,944

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

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

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

**C. Accounting Policy**

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

- (1) Basis for Short-Term Investments  
Short-term investments consist of class 1 money market mutual funds, agencies, and treasury bonds. Short term investments are stated at amortized cost.
- (2) Basis for Bonds and Amortization Schedule  
Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) Basis for Common Stocks  
Common Stocks are valued at market. However, investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are valued using the equity basis.
- (4) Basis for Preferred Stocks  
Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
- (5) Basis for Mortgage Loans  
The Company did not have any mortgage loans.
- (6) Basis for Loan-Backed Securities and Adjustment Methodology  
Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The retrospective adjustment method is used to value these securities
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities  
The Company owns 70% of the common stock of Motorists Life Insurance Company, a life insurer; 100% of the common stock of MICO Insurance Company, a property/casualty insurer; 100% of the common stock of Motorists Service Corporation, a software services and staffing company; and 100% of Consumers Insurance USA, Inc. a property/casualty insurer. Motorists Life Insurance Company, MICO Insurance Company and Consumers Insurance USA, Inc. are valued on an equity basis as described in Part 5, Section 2ciB1 of the Securities Valuation Handbook. Motorists Service Corporation is valued on an equity basis as described in Part 5, Section 2ciB2 of the Securities Valuation Handbook
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities  
The Company has investments in limited partnerships and limited liability companies. In accordance with SSAP No. 48: Joint Ventures, Partnerships and Limited Liability Companies, the investments are recorded using the equity method of accounting based on the underlying audited U.S. GAAP equity values of the holdings. The company also has partnership investments in low income housing tax credit properties. In accordance with SSAP No. 93: Accounting for Low Income Housing Tax Credit Property Investments, the investments are reported at amortized cost.

**NOTES TO FINANCIAL STATEMENTS****(9) Accounting Policies for Derivatives**

The Company does not hold any derivative instruments.

**(10) Anticipated Investment Income Used in Premium Deficiency Calculation**

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts-Premiums

**(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses**

Unpaid loss and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based upon past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates. While management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments reflected in the period determined.

**(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period**

The Motorists Insurance Group standardized its thresholds for capitalization across all member companies. The Group also implemented updates for software licenses and maintenance agreements that allow amortization over service periods for material transactions.

**(13) Method Used to Estimate Pharmaceutical Rebate Receivables**

The Company has no pharmaceutical rebate receivables to report.

**D. Going Concern**

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

**Note 2 – Accounting Changes and Correction of Errors**

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

**Note 3 – Business Combinations and Goodwill****A. Statutory Purchase Method**

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

1 Purchased Entity	2 Acquisition Date	3 Cost of Acquired Entity	4 Original Amount of Admitted Goodwill	5 Admitted Goodwill as of the Reporting Date	6 Amount of Goodwill Amortized During the Reporting Period	7 Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill
Consumers Insurance Group, Inc.	August 31, 2014	\$ 32,371,923	\$ 17,174,689	\$ 8,014,854	\$ 1,717,469	21.7%

**B. Statutory Merger**

Information concerning statutory mergers is not applicable.

**C. Impairment Loss**

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

**Note 4 – Discontinued Operations**

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

**Note 5 – Investments****A. Mortgage Loans, including Mezzanine Real Estate Loans**

Not Applicable

**B. Debt Restructuring**

Not Applicable

**C. Reverse Mortgages**

Not Applicable

**D. Loan-Backed Securities****(1) Description of Sources Used to Determine Prepayment Assumptions**

Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from market data vendors or broker dealer values.

**NOTES TO FINANCIAL STATEMENTS**

- (2) Other-Than-Temporary Impairments  
The Company did not hold any loan-backed securities with other-than-temporary impairments.
- (3) Recognized OTTI Securities  
The Company did not hold any current year other-than-temporary recognized losses.
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ 140,015
	2. 12 Months or Longer	\$ 616,088
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 17,013,167
	2. 12 Months or Longer	\$ 20,967,816

- (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary  
The Company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

Not Applicable

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing**  
Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

**J. Real Estate**

- (1) Recognized Impairment Loss  
The Company did not recognize any impairment losses for investments in real estate during the periods reported.
- (2) Sold or Classified Real Estate Investments as Held for Sale  
The Company purchased three residential homes and sold two residential homes in conjunction with associate employment contracts. Proceeds from the sales were equal to the cost of the investment so no gain or loss was recorded. The property owned is being actively marketed for sale by a real estate broker and is valued net of anticipated disposal costs at year end.

The Company sold three office buildings in March, May, and December of 2019. The properties realized gains of \$279,204, \$147,806, and \$1,396,2087 respectively.

Properties no longer occupied by the company were changed to properties held for sale. The properties are being actively marketed for sale by a real estate broker and are valued net of anticipated costs at year end.

- (3) Changes to a Plan of Sale for an Investment in Real Estate  
The Company did not experience any changes to its plans of sale for its real estate investments during the periods reported.
- (4) Retail Land Sales Operations  
The Company did not engage in retail land sales operations during the periods reported.
- (5) Real Estate Investments with Participating Mortgage Loan Features  
The Company did not hold any real estate investments with participating mortgage loan features during the period reported.

**K. Low-Income Housing Tax Credits (LIHTC)**

- (1) Number of Remaining Years of Unexpired Tax Credits and Holding Period for LIHTC Investments  
As of December 31, 2019, the company's LIHTC investments did not have any remaining unexpired tax credits. There is not a required holding period for the LIHTC investments.
- (2) Amount of LIHTC and Other Tax Benefits Recognized  
There was \$395,9499 in recognized losses during the current year.
- (3) Balance of Investment Recognized  
The remaining LIHTC investments total \$1,112,582 as of December 31, 2019.

**NOTES TO FINANCIAL STATEMENTS**

## (4) Regulatory Reviews

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

## (5) LIHTC investments which Exceed 10% of Total Admitted Assets

Not Applicable

## (6) Recognized Impairment

Not Applicable

## (7) Amount and Nature of Write-Downs or Reclassifications

Not Applicable

## L.

## Restricted Assets

The Company held other restricted assets as listed below:

## (1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross		(Admitted & Nonadmitted)		Restricted		6	7		
			Current Year		5	6				
	1	2	3	4						
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Call Account (S/A) Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)			
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$			
b. Collateral held under security lending arrangements										
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										
i. FHLB capital stock	3,066,600				3,066,600	2,039,300	1,027,300			
j. On deposit with states	1,929,311				1,929,311	1,896,881	32,430			
k. On deposit with other regulatory bodies										
l. Pledged as collateral to FHLB (including assets backing funding agreements)	51,723,271				51,723,271	56,068,403	(4,345,133)			
m. Pledged as collateral not captured in other categories										
n. Other restricted assets	8,106,741				8,106,741	8,105,983	758			
o. Total Restricted Assets	\$ 64,825,923	\$	\$	\$	\$ 64,825,923	\$ 68,110,568	\$ (3,284,645)			

**NOTES TO FINANCIAL STATEMENTS**

Restricted Asset Category	Current Year				
	8	9	Percentage		
			10	11	
			Gross (Admitted & Nonadmitted)	Admitted Restricted to Total Admitted Assets (d)	Restricted to Total Assets (c)
Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)				
a. Subject to contractual obligation for which liability is not shown	\$	\$	%	%	
b. Collateral held under security lending arrangements			%	%	
c. Subject to repurchase agreements			%	%	
d. Subject to reverse repurchase agreements			%	%	
e. Subject to dollar repurchase agreements			%	%	
f. Subject to dollar reverse repurchase agreements			%	%	
g. Placed under option contracts			%	%	
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock			%	%	
i. FHLB capital stock		3,066,600	0.2%	0.2%	
j. On deposit with states		1,929,311	0.1%	0.1%	
k. On deposit with other regulatory bodies			%	%	
l. Pledged as collateral to FHLB (including assets backing funding agreements)		51,723,271	2.8%	3.0%	
m. Pledged as collateral not captured in other categories			%	%	
n. Other restricted assets		8,106,741	0.4%	0.5%	
o. Total Restricted Assets	\$	\$ 64,825,923	3.5%	3.7%	

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

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted						8	Percentage	
	Current Year					6	7	9	10
	1	2	3	4	5				
Description of Assets	Total General Account (G/A)	G/A Supporting Protected Cell Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Admitted Restricted to Total Admitted Assets
Total (c)	\$	\$	\$	\$	\$	\$	\$	\$	%
(a) Subset of column 1									%
(b) Subset of column 3									%
(c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively.									

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted						8	Percentage	
	Current Year					6	7	9	10
	1	2	3	4	5				
Description of Assets	Total General Account (G/A)	G/A Supporting Protected Cell Activity (a)	Total Protected Cell Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Admitted Restricted to Total Admitted Assets
COMM 18COR3 A2	\$ 2,520,810	\$	\$	\$	\$ 2,520,810	\$ 2,523,322	\$ (2,512)	\$ 2,520,810	0.1% 0.1%
Total Capital International SA	\$ 4,982,861	\$	\$	\$	\$ 4,982,861	\$ 4,979,240	\$ 3,621	\$ 4,982,861	0.3% 0.3%
University Toledo Ohio Gen Rcpts	\$ 250,000	\$	\$	\$	\$ 250,000	\$ 250,000	\$	\$ 250,000	% %
WFCM 18C47 A3	\$ 353,070	\$	\$	\$	\$ 353,070	\$ 353,421	\$ (351)	\$ 353,070	% %
Total (c)	\$ 8,106,741	\$	\$	\$	\$ 8,106,741	\$ 8,105,983	\$ 758	\$ 8,106,741	0.4% 0.5%

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

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

Not Applicable

**M. Working Capital Finance Investments**

Not Applicable

**N. Offsetting and Netting of Assets and Liabilities**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## O. 5GI Securities

Not Applicable

## P. Short Sales

Not Applicable

## Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	3	
(2) Aggregate Amount of Investment Income	\$ 179,574	\$

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

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

Not Applicable

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

Not Applicable

**Note 7 – Investment Income**

## A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

The Company did not exclude any due and accrued investment income from surplus during the periods reported.

## B. The total amount excluded:

The total amount excluded was \$0.

**Note 8 – Derivative Instruments**

Not Applicable

**Note 9 – Income Taxes**

## A. Deferred Tax Assets/(Liabilities)

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

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 71,355,001	\$ 104,951	\$ 71,459,952	\$ 71,753,742	\$ 442,446	\$ 72,196,188	\$ (398,741)	\$ (337,495)	\$ (736,236)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 71,355,001	\$ 104,951	\$ 71,459,952	\$ 71,753,742	\$ 442,446	\$ 72,196,188	\$ (398,741)	\$ (337,495)	\$ (736,236)
d. Deferred tax assets nonadmitted	9,856,861		9,856,861	27,509,985		27,509,985	(17,653,124)		(17,653,124)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 61,498,141	\$ 104,951	\$ 61,603,091	\$ 44,243,757	\$ 442,446	\$ 44,686,203	\$ 17,254,384	\$ (337,495)	\$ 16,916,888
f. Deferred tax liabilities	4,635,968	17,784,305	22,420,273	3,897,955	5,119,122	9,017,077	738,013	12,665,183	13,403,196
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 56,862,173	\$(17,679,354)	\$ 39,182,819	\$ 40,345,802	\$ (4,676,676)	\$ 35,669,126	\$ 16,516,371	\$(13,002,678)	\$ 3,513,693

**NOTES TO FINANCIAL STATEMENTS**

## 2. Admission Calculation Components SSAP No. 101

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$	\$	\$	\$	\$	\$
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	39,105,852	76,966	39,182,818	35,591,732	77,392	35,669,124	3,514,120	(426)	3,513,694
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	39,105,852	76,966	39,182,818	35,591,732	77,392	35,669,124	3,514,120	(426)	3,513,694
2. Adjusted gross deferred tax assets allowed per limitation threshold			64,850,582						64,850,582
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	22,392,289	27,984	22,420,273	8,652,024	365,054	9,017,078	13,740,265	(337,070)	13,403,195
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 61,498,141	\$ 104,951	\$ 61,603,091	\$ 44,243,756	\$ 442,446	\$ 44,686,202	\$ 17,254,385	\$ (337,495)	\$ 16,916,889

## 3. Other Admissibility Criteria

	2019	2018
a. Ratio percentage used to determine recovery period and threshold limitation amount	661.2%	538.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 485,284,689	\$ 432,337,212

## 4. Impact of Tax Planning Strategies

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

	2019		2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 71,355,001	\$ 104,951	\$ 71,753,742	\$ 442,446	\$ (398,741)	\$ (337,495)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	13.5%	%	(13.5)%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 61,498,141	\$ 104,951	\$ 44,243,757	\$ 442,446	\$ 17,254,384	\$ (337,495)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	21.9%	%	(21.9)%	%

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

**NOTES TO FINANCIAL STATEMENTS****B. Deferred Tax Liabilities Not Recognized**

1. The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are:  
There were no temporary differences for which deferred tax liabilities were not recognized.

**C. Current and Deferred Income Taxes****1. Current Income Tax**

	1 2019	2 2018	3 (Col 1-2) Change
a. Federal	\$ (1,760,531)	\$ (4,686,042)	\$ 2,925,511
b. Foreign	\$	\$	\$
c. Subtotal	\$ (1,760,531)	\$ (4,686,042)	\$ 2,925,511
d. Federal income tax on net capital gains	\$ (2,501,342)	\$ 1,282,092	\$ (3,783,434)
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$ 2,411,392	\$	\$ 2,411,392
g. Federal and Foreign income taxes incurred	\$ (1,850,481)	\$ (3,403,950)	\$ 1,553,469

**2. Deferred Tax Assets**

	1 2019	2	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 16,167,953	\$ 17,257,196	\$ (1,089,243)
2. Unearned premium reserve	6,843,723	6,676,486	167,237
3. Policyholder reserves			
4. Investments	3,057,381	376,602	2,680,779
5. Deferred acquisition costs			
6. Policyholder dividends accrual	119,101	314,267	(195,166)
7. Fixed assets			
8. Compensation and benefits accrual	1,099,069	1,236,469	(137,400)
9. Pension accrual	9,354,997	9,927,612	(572,615)
10. Receivables - nonadmitted	18,720,687	14,962,924	3,757,763
11. Net operating loss carry-forward	5,970,421	9,624,816	(3,654,395)
12. Tax credit carry-forward	9,861,125	11,146,906	(1,285,781)
13. Other (items <=5% and >5% of total ordinary tax assets)	160,544	230,464	(69,920)
Other (items listed individually >5% of total ordinary tax assets)			
99. Subtotal	\$ 71,355,001	\$ 71,753,742	\$ (398,741)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	9,856,861	27,509,985	(17,653,124)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 61,498,141	\$ 44,243,757	\$ 17,254,384
e. Capital:			
1. Investments	\$ 104,951	\$ 442,446	\$ (337,495)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 104,951	\$ 442,446	\$ (337,495)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	104,951	442,446	(337,495)
i. Admitted deferred tax assets (2d+2h)	\$ 61,603,091	\$ 44,686,203	\$ 16,916,888

**3. Deferred Tax Liabilities**

	1 2019	2	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 29,975	\$ 347,534	\$ (317,559)
2. Fixed assets	3,166,941	1,601,530	1,565,411
3. Deferred and uncollected premium	1,439,052	1,948,891	(509,839)
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)			
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 4,635,968	\$ 3,897,955	\$ 738,013
b. Capital:			
1. Investments	\$ 17,784,305	\$ 5,119,122	\$ 12,665,183
2. Real estate			
3. Other (items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ 17,784,305	\$ 5,119,122	\$ 12,665,183
c. Deferred tax liabilities (3a99+3b99)	\$ 22,420,273	\$ 9,017,077	\$ 13,403,196
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$ 39,182,819	\$ 35,669,126	\$ 3,513,693

**NOTES TO FINANCIAL STATEMENTS**

The Company's deferred income tax assets and liabilities as of December 31, 2019, were reported using the 21% tax rate, enacted on December 22, 2017, under the Tax Cuts and Jobs Act (Act). The change in deferred taxes due to the change in tax rates is reflected in Note 9D. In addition, deferred taxes for 2017 included provisional amounts related to loss reserves discounting adjustments under the Act. These provisional evaluations were based on the Company's current interpretation of the legislation and insurance industry group guidance. Given the complexity of the legislation, anticipated guidance from the U.S. Treasury, and the potential for additional guidance from the U.S. Treasury, and the potential for additional guidance from Statutory Accounting Principle Working Group, these estimates may be adjusted during 2019.

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

	Amount	Effective Tax Rate (%)
<b>Permanent Differences:</b>		
Provision computed at statutory rate	\$ 8,637,355	20.9%
Change in nonadmitted assets	(3,757,762)	(9.1)%
Proration of tax exempt investment income	(1,157,797)	(2.8)%
Tax exempt income deduction	(638,834)	(1.6)%
Dividends received deduction	(148,569)	(0.4)%
Disallowable travel and entertainment	232,049	0.6%
Other permanent differences	256,835	0.6%
<b>Temporary Differences:</b>		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
<b>Other:</b>		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year	(53,679)	(0.1)%
Other		%
Totals	\$ 3,369,598	8.2%
Federal and foreign income taxes incurred	(1,850,481)	(4.5)%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	5,220,078	12.7%
Total statutory income taxes	\$ 3,369,598	8.2%

**E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment**

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

Description (Operating Los or Tax Credit Carry Forward)	Amounts	Origination Date	Expiration Date
Net Operating Loss Carryforward	23,270,318	12/31/2017	12/31/2037
Charitable Contribution Carryforwards	967,804	12/31/2015	12/31/2020
Charitable Contribution Carryforwards	749,448	12/31/2016	12/31/2021
Charitable Contribution Carryforwards	1,003,328	12/31/2017	12/31/2022
Charitable Contribution Carryforwards	2,439,678	12/31/2018	12/31/2023

Description (Operating Los or Tax Credit Carry Forward)	Amounts	Expiration Date
Work Opportunity Credit	190	2030 - 2039
Research & Experimentation	2,754,434	2031 - 2039
Low Income Housing Credit	5,672,290	2029 - 2039
New Hire Retention Credit	10,405	N/A
AMT Credit	1,327,681	N/A
Foreign Tax Credit	96,125	2020 - 2029

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

Year	Ordinary	Capital
2019	\$0	\$0
2018	\$0	\$0
2017	\$0	\$0
<b>Totals</b>	<b>\$0</b>	<b>\$0</b>

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code  
The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

**F. Consolidated Federal Income Tax Return**

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

**NOTES TO FINANCIAL STATEMENTS**

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

## G. Federal or Foreign Federal Income Tax Loss Contingencies:

As of December 31, 2019, the Company had no unrecognized tax benefits.

## H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

The Company is not subject to the Repatriation Transition Tax.

## I. Alternative Minimum Tax Credit

Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)?

Gross AMT Credit Recognized as:

1a	Current year recoverable	\$1,327,681
1b	Deferred tax asset (DTA)	1,327,681
2	Beginning Balance of AMT Credit Carryforward	2,655,363
3	Amounts Recovered	1,327,681
4	Adjustments	
5	Ending Balance of AMT Credit Carryforward (5=2-3-4)	1,327,681
6	Reduction for Sequestration	
7	Nonadmitted by Reporting Entity	
8	Reporting Entity Ending Balance (8=5-6-7)	\$1,327,681

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

## A. Nature of the Relationship Involved

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

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

Motorists Mutual Insurance Company and BrickStreet Mutual Insurance Company secured regulatory approval to enter into an affiliation agreement on April 20, 2017, and executed the agreement on April 24, 2017, forming a revised Motorists Insurance Group. On July 15, 2019, Motorists Insurance Group was renamed to Encova Insurance Group. The Companies entered into various intercompany agreements, including intercompany reinsurance pooling and cost sharing agreements, effective January 1, 2018. Schedule Y reflects an updated organization chart with Motorists Mutual as the ultimate controlling entity of the Encova Insurance Group. The pool was realigned effective January 1, 2018.

Refer to Note 26 for the revised pooling agreement.

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

**NOTES TO FINANCIAL STATEMENTS****B. Transactions**

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

Encova Realty borrowed \$9.6 million during 2019 from its parent through an intercompany loan agreement. The balance was used to fund the subsidiary's construction project.

Motorists Mutual Insurance Company made a capital contribution of \$175,000 to Encova Service Corporation, \$50,000 on October 22, 2019 and \$125,000 on December 10, 2019.

In addition, Encova Service Corporation (formerly Motorists Service Corporation) has a balance of \$31 million from its parent through an intercompany loan agreement. The balances, which were both recorded by Motorists Mutual as non-admitted assets, were used to fund the subsidiary's development of software applications and services. Encova Service Corporation has also initiated charges \$4.5 million to Motorists Mutual for utilization of its developed software and other services.

**C. Dollar Amounts of Transactions**

See Note B.

**D. Amounts Due From or To Related Parties**

As of December 31, 2019 and 2018, the Company reported net amounts due from/(due to) affiliates of \$9,831,651 and \$10,791,772, respectively. All amounts were settled within 60 days.

**E. Guarantees or Undertakings**

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

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

See Note A

**G. Nature of the Control Relationship**

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

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

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

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

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

**J. Investments in Impaired SCAs**

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

**K. Investment in Foreign Insurance Subsidiary**

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

**L. Investment in Downstream Noninsurance Holding Company**

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

**M. All SCA Investments**

The Company held SCA Investments during the periods reported.

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities	% \$	\$	\$	\$
Total SSAP No. 97 8a Entities	XXX	\$	\$	\$
b. SSAP No. 97 8b(ii) Entities				
Encova Service Corp	100.0%	\$	\$	\$
Total SSAP No. 97 8b(ii) Entities	XXX	\$	\$	\$
c. SSAP No. 97 8b(iii) Entities	% \$	\$	\$	\$
Total SSAP No. 97 8b(iii) Entities	XXX	\$	\$	\$
d. SSAP No. 97 8b(iv) Entities	% \$	\$	\$	\$
Total SSAP No. 97 8b(iv) Entities	XXX	\$	\$	\$
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b + c + d)	XXX	\$	\$	\$
f. Aggregate Total (a + e)	XXX	\$	\$	\$

**NOTES TO FINANCIAL STATEMENTS**

## (2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities			\$			
Total SSAP No. 97 8a Entities	XXX	XXX	\$	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Encova Service Corp	S1	12/22/2016	\$	Y	N	
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities			\$			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities			\$			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b + c + d)	XXX	XXX	\$	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	\$	XXX	XXX	XXX

\* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

\*\* I – Immaterial or M – Material

## N. Investment in Insurance SCAs

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

## O. SCA or SSAP 48 Entity Loss Tracking

Not Applicable

**Note 11 – Debt**

## A. Debt, Including Capital Notes

The Company has entered into monthly fixed rate advances from FHLB to use for vendor payments affiliated with our Encova Realty LLC construction project. Total advances of \$9,498,000 have been taken since the inception of the fixed rate advances in November 2018. The latest fixed rate is a rate of 1.72% for a 4 week period. Interest in the amount of \$72,344.70 was charged in 2019.

## B. FHLB (Federal Home Loan Bank) Agreements

## (1) Nature of the FHLB Agreement

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

## (2) FHLB Capital Stock

## a. Aggregate Totals

## 1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
(a) Membership Stock – Class A	\$	\$	\$
(b) Membership Stock – Class B	2,580,129	2,580,129	
(c) Activity Stock	379,920	379,920	
(d) Excess Stock	106,551	106,551	
(e) Aggregate Total (a+b+c+d)	\$ 3,066,600	\$ 3,066,600	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 50,000,000	XXX	XXX

## 2. Prior Year-End

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

**NOTES TO FINANCIAL STATEMENTS**

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

	1	2	Eligible for Redemption			
			3	4	5	6
Membership Stock	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	\$ 2,580,129	\$ 2,580,129	\$	\$	\$	\$
2. Class B						

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

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

## (3) Collateral Pledged to FHLB

## a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	\$ 51,155,035	\$ 51,723,271	\$ 9,498,000
2. Current Year General Account Total Collateral Pledged	51,155,035	51,723,271	9,498,000
3. Current Year Protected Cell Accounts Total Collateral Pledged			
4. Prior Year-End Total General and Protected Cell Accounts Total Collateral Pledged	\$ 55,254,014	\$ 56,068,403	\$ 726,000

11B(3)a1 (columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (columns 1, 2 and 3, respectively).

11B(3)a2 (columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (columns 1, 2 and 3, respectively).

11B(3)a3 (columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (columns 1, 2 and 3, respectively).

11B(3)a4 (columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (columns 1, 2 and 3, respectively).

## b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Protected Cell Accounts Maximum Collateral Pledged (Lines 2+3)	\$ 54,899,132	\$ 55,688,868	\$ 9,498,000
2. Current Year General Account Maximum Collateral Pledged	54,899,132	55,688,868	9,498,000
3. Current Year Protected Cell Accounts Maximum Collateral Pledged			
4. Prior Year-End Total General and Protected Cell Accounts Maximum Collateral Pledged	\$ 55,254,014	\$ 56,068,403	\$ 726,000

## (4) Borrowing from FHLB

## a. Amount as of the Reporting Date

## 1. Current Year

	1 Total 2 + 3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
(a) Debt	\$ 9,498,000	\$ 9,498,000	\$	XXX
(b) Funding Agreements				\$
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$ 9,498,000	\$ 9,498,000	\$	\$

## 2. Prior Year-End

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

## b. Maximum Amount During Reporting Period (Current Year)

	1 Total 2 + 3	2 General Account	3 Protected Cell Accounts
1. Debt	\$ 9,498,000	\$ 9,498,000	\$
2. Funding Agreements			
3. Other			
4. Aggregate Total (Lines 1+2+3)	\$ 9,498,000	\$ 9,498,000	\$

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

## c. FHLB – Prepayment Obligations

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

**NOTES TO FINANCIAL STATEMENTS****Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

## A. Defined Benefit Plan

## (1) Change in Benefit Obligation

	Overfunded		Underfunded	
	2019	2018	2019	2018
a. Pension Benefits				
1. Benefit obligation at beginning of year	\$	\$	\$ 58,919,277	\$ 368,792,240
2. Service cost				
3. Interest cost			2,310,216	10,457,950
4. Contribution by plan participants				
5. Actuarial gain (loss)			10,470,976	(33,465,555)
6. Foreign currency exchange rate changes				
7. Benefits paid			1,049,848	286,865,358
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$ 70,650,621	\$ 58,919,277
Overfunded		Underfunded		
b. Postretirement Benefits	2019	2018	2019	2018
1. Benefit obligation at beginning of year	\$	\$	\$ 17,984,144	\$ 21,600,626
2. Service cost			106,464	135,052
3. Interest cost			670,375	641,924
4. Contribution by plan participants			1,088,520	1,224,317
5. Actuarial gain (loss)			2,278,195	(2,458,866)
6. Foreign currency exchange rate changes				
7. Benefits paid			3,091,053	3,158,909
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$ 19,036,645	\$ 17,984,144
Overfunded		Underfunded		
c. Special or Contractual Benefits per SSAP No. 11	2019	2018	2019	2018
1. Benefit obligation at beginning of year	\$	\$	\$ 31,140,646	\$ 33,359,186
2. Service cost				
3. Interest cost			1,214,996	1,097,571
4. Contribution by plan participants				
5. Actuarial gain (loss)			3,730,062	(2,137,239)
6. Foreign currency exchange rate changes				
7. Benefits paid			1,542,196	1,178,872
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$ 34,543,508	\$ 31,140,646

## (2) Change in Plan Assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2019	2018	2019	2018	2019	2018
a. Fair value of plan assets at beginning of year	\$ 42,785,582	\$ 308,196,789	\$ 16,221,976	\$ 17,297,252	\$	\$
b. Actual return on plan assets	9,299,001	(10,545,849)	3,930,170	(946,671)		
c. Foreign currency exchange rate changes						
d. Reporting entity contribution	5,000,000	32,000,000	565,063	1,805,987		
e. Plan participants' contributions			1,088,520	1,224,317		
f. Benefits paid	1,049,848	286,865,358	3,091,053	3,158,909		
g. Business combinations, divestitures and settlements	(4,611,788)					
h. Fair value of plan assets at end of year	\$ 60,646,523	\$ 42,785,582	\$ 18,714,676	\$ 16,221,976	\$	\$

**NOTES TO FINANCIAL STATEMENTS**

## (3) Funded Status

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
a. Components				
1. Prepaid benefit costs	\$	\$	\$	\$
2. Overfunded plans assets	\$	\$	\$	\$
3. Accrued benefit costs	\$	\$	\$	\$
4. Liability for pension benefits	\$	\$	\$	\$
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	\$	\$	\$	\$
2. Liabilities recognized	\$ (10,004,098)	\$ (16,133,695)	\$ (321,969)	\$ (1,762,168)
c. Unrecognized liabilities	\$	\$	\$	\$

## (4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2019	2018	2019	2018	2019	2018
a. Service cost	\$	\$	\$ 106,464	\$ 135,052	\$	\$
b. Interest cost	2,310,216	10,457,950	670,675	641,924		1,097,571
c. Expected return on plan assets	(2,548,757)	(17,834,191)	(903,357)	(1,083,715)		
d. Transition asset or obligation						
e. Gains and losses	(891,056)	(5,085,515)	(748,618)	(428,480)		(2,137,239)
f. Prior service cost or credit			(291,887)	(291,887)		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	\$ (1,129,597)	\$ (12,461,756)	\$ (1,166,723)	\$ (1,027,106)	\$	\$ (1,039,668)

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

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
a. Items not yet recognized as a component of net periodic cost – prior year	\$	\$	\$ (1,177,586)	\$ (1,469,483)
b. Net transition asset or obligation recognized				
c. Net prior service cost or credit arising during the period				
d. Net prior service cost or credit recognized			291,887	291,887
e. Net gain and loss arising during the period			(748,618)	(428,480)
f. Net gain and loss recognized			748,618	428,480
g. Items not yet recognized as a component of net periodic cost – current period	\$	\$	\$ (885,699)	\$ (1,177,596)

## (6) Amounts in Unassigned Funds (Surplus) That Have Not Yet Been Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
a. Net transition asset or obligation	\$	\$	\$	\$
b. Net prior service cost or credit	\$	\$	\$ (885,699)	\$ (1,177,596)
c. Net recognized gains and losses	\$	\$	\$	\$

**NOTES TO FINANCIAL STATEMENTS**

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

	2019	2018
a. Weighted-average discount rate	4.2%	3.5%
b. Expected long-term rate of return on plan assets	5.8%	6.6%
c. Rate of compensation increase	%	%
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%
Weighted-average assumptions used to determine projected benefit obligations as of December 31		
e. Weighted-average discount rate	3.1%	4.2%
f. Rate of compensation increase	%	%
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%

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

- (8) Accumulated Benefit Obligation for Defined Benefit Pension Plans

The amount of accumulated benefit obligation for defined benefit pension plans as of December 31, 2018 and 2017 was \$58,919,277 and \$368,792,240, respectively.

- (9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)

Employer retiree healthcare costs assume a 3% increase for all future years to reflect the maximum employer increase in premiums.

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

Year(s)	Amount
a. 2020	\$ 1,321,011
b. 2021	\$ 1,555,479
c. 2022	\$ 1,763,270
d. 2023	\$ 2,021,390
e. 2024	\$ 2,301,211
f. 2025 through 20	\$ 15,734,366

- (11) Estimate of Contributions Expected to be Paid to the Plan

In 2019, the Company intends to make contributions to the pension plan, postretirement plan and postemployment plans in the amounts of \$5,000,000, \$97,208 and \$1,506,508, respectively.

- (12) Amounts and Types of Securities Included in Plan Assets

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

- (13) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses

The Company did not use an alternate amortization method to amortize prior service amounts. Beginning in 2017, the Company moved to a mark-to-market approach for recognizing net gains and losses.

- (14) Substantive Commitment Used to Account for Benefit Obligation

The Company did not use any substantive commitments as a basis for accounting for the benefit obligations.

- (15) Cost of Providing Special or Contractual Termination Benefits Recognized

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

- (16) Reasons for Significant Gains/Losses Related to Changes in Defined Benefit Obligation and any Other Significant Change in the Benefit Obligations or Plan Assets Not Otherwise Apparent

All significant changes in the Company's benefit obligation and assets are presented in the disclosure.

- (17) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans

The Accumulated Postretirement and Pension Benefit Obligations and Fair Value of Plan Assets are the same as in 12 (1), 12 (2) and 12 (3) above.

- (18) Full Transition Surplus Impact of SSAP 102

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

**B. Investment Policies and Strategies**

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

**NOTES TO FINANCIAL STATEMENTS****C. Fair Value of Plan Assets****(1) Fair Value Measurements of Plan Assets at Reporting Date**

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Cash and Cash Equivalents	\$ 1,210,069	\$	\$	\$ 1,210,069
Small Cap	\$ 2,691,742	\$	\$	\$ 2,691,742
Large Cap	\$ 8,255,810	\$	\$	\$ 8,255,810
International Equity	\$ 6,186,673	\$	\$	\$ 6,186,673
Pooled separate accounts/ Commingled	\$	\$ 42,302,230	\$	\$ 42,302,230
Total Plan Assets	\$ 18,344,294	\$ 42,302,230	\$	\$ 60,646,524

**(2) Valuation Technique(s) and Inputs Used to Measure Fair Value**  
The Company uses the market approach.**D. Basis Used to Determine Expected Long-Term Rate-of-Return**

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

**E. Defined Contribution Plans**

The Company sponsors an Incentive Savings Plan under Section 401(k) of the Internal Revenue Code sponsored by its parent, Motorists Mutual Insurance Company covering substantially all of its employees. The Plan matches employee contributions up to 7% of total eligible compensation. Employer contributions are immediately vested. The Company contributions to the plan were \$6,943,295 and \$6,858,976 for 2019 and 2018, respectively. All of the expenses associated with this Plan are allocated to the Group via the cost allocation model. The Company also participates two Non-qualified Supplemental Retirement Plans, sponsored by BrickStreet Insurance, for selected employees. One plan provides for contributions at the Group's discretion on a yearly basis. The other was composed of a single contribution for selected employees. Employees vest at age 60 or when certain vesting events occur. The Company participates a long term incentive deferred compensation plan, sponsored by BrickStreet Insurance, that provides for deferred bonuses for selected executives and other employees. Employees are credit with deferred amounts when the Group hits certain targets and, if they remain with the Group for the required time periods, the amounts will be paid out. All of the expenses associated with this Plan are allocated to the Group via the cost allocation model.

**F. Multiemployer Plans**

Not Applicable

**G. Consolidated/Holding Company Plans**

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

**H. Postemployment Benefits and Compensated Absences**

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

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)****(1) Recognition of the Existence of the Act**

The Company first measured the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, on postretirement benefits as of January 1, 2004.

**(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost**

The results of that measurement were included in the Company's 2004 financial records. The Act had no impact on the statutory expense for the periods reported.

**(3) Disclosure of Gross Benefit Payments**

Not Applicable

**Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations****(1) Number of Share and Par or State Value of Each Class**

Not Applicable

**(2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues**

Not Applicable

**(3) Dividend Restrictions**

Not Applicable

**(4) Dates and Amounts of Dividends Paid**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

- (5) Profits that may be Paid as Ordinary Dividends to Stockholders  
Not Applicable
- (6) Restrictions Placed on Unassigned Funds (Surplus)  
There are no restrictions placed on the Company's surplus, including for whom the surplus is being held. See description of ADC arrangement and permitted practice in Note 1A.
- (7) Amount of Advances to Surplus not Repaid  
Not Applicable
- (8) Amount of Stock Held for Special Purposes  
Not Applicable
- (9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period  
Not Applicable
- (10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$52,243,459.
- (11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations  
Not Applicable
- (12) The impact of any restatement due to prior quasi-reorganizations is as follows  
Not Applicable
- (13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization  
Information concerning quasi-reorganization is not applicable.

**Note 14 – Liabilities, Contingencies and Assessments**

## A. Contingent Commitments

- (1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$22,538,311.

## (2) Detail of other contingent commitments

Nature and Circumstances of Guarantee and Key Attributes, Including Date and Duration of Agreement	Liability Recognition of Guarantee, (Including Amount Recognized at Inception. If no Initial Recognition, Document Exception Allowed Under SSAP No. 5R)	Ultimate Financial Statement Impact if Action under the Guarantee is Required	Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor could be Required to make under the Guarantee. If unable to Develop an Estimate, this Should be Specifically Noted	Current Status of Payment or Performance Risk of Guarantee. Also Provide Additional Discussion as Warranted
Commercial bank loan guarantee for five agencies with various terms, extending to 2028	\$	Increase in miscellaneous expense	\$ 1,689,475	All loans are current in payments of principal and interest. The likelihood of the company having to make any payments is remote.
Adams Street 2012 Global Fund LP	\$	Increase in other invested assets	\$ 2,609,600	All current capital calls have been funded.
Arcmont Direct Lending Fund III (USD) Special Limited Partnership	\$	Increase in other invested assets	\$ 15,713,742	All current capital calls have been funded.
HarbourVest Partners, LLC	\$	Increase in other invested assets	\$ 2,312,994	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	\$	Increase in other invested assets	\$ 212,500	All current capital calls have been funded.
Total	\$	XXX	\$ 22,538,311	XXX

**NOTES TO FINANCIAL STATEMENTS**(3) **Guarantee Obligations**

a.	Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal the total of column 4 for (2) above.)	\$ 22,538,311
b.	Current liability recognized in F/S	
1.	Noncontingent liabilities	\$
2.	Contingent liabilities	\$
c.	Ultimate financial statement impact if action under the guarantee is required	
1.	Investments in SCA	\$
2.	Joint venture	20,848,836
3.	Dividends to stockholders (capital contribution)	
4.	Expense	1,689,475
5.	Other	
6.	Total (should equal (3)a)	\$ 22,538,311

B. **Assessments**(1) **Nature of Any Assets That Could Have a Material Financial Effect**

The Company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The company's net paid guaranty fund assessments totaled \$59,237.31 and \$122,286.66 for the years ended December 31, 2019, and 2018, respectively. The company's net accrued liabilities for guaranty funds were \$777,004.48 and \$486,019 as of December 31, 2019 and 2018, respectively. Per the accounting practices and procedures prescribed by the company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.

C. **Gain Contingencies**

Not Applicable.

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

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$ 10,000

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				

Indicate whether claim count information is disclosed per claim or per claimant:

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

E. **Product Warranties**

Not Applicable

F. **Joint and Several Liabilities**

Not Applicable.

G. **All Other Contingencies**

Not Applicable.

**Note 15 – Leases**A. **Lessee Operating Lease**(1) **Lessee's Leasing Arrangements**a. **Rental Expense**

The Company leases computer-related equipment under various operating lease arrangements and entered into various agreements for information technology-related services through December 2024. The expenses for the years ended December 31, 2019 and 2018 were \$25,066,402 and \$26,898,159, respectively.

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

a. At December 31, 2019 the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
1. 2020	\$ 36,090,311
2. 2021	\$ 14,017,225
3. 2022	\$ 7,314,418
4. 2023	\$ 4,707,933
5. 2024	\$ 4,522,633
6. Total	\$ 66,652,520

**NOTES TO FINANCIAL STATEMENTS**

## (3) For Sale-Leaseback Transactions

The Company was not involved in sale-leaseback transactions during the periods reported.

## B. Lessor Leases

## (1) Operating Leases:

## a. Lessor's Leasing Arrangements

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

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

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:

The Company did not have any off-balance sheet risks for the periods disclosed.

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

## A. Transfers of Receivables Reported as Sales

## (1) Proceeds to the Transferor

The Company did not have any transfers of receivables reported as sales during the periods reported.

## B. Transfer and Servicing of Financial Assets

Not Applicable.

## C. Wash Sales

In the course of the Company's asset management, there were not any securities sales and reacquisitions made within 30 days of the sale date to enhance the yield on the investment portfolio.

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

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

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

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

**Note 20 – Fair Value Measurements**

## A. Fair Value Measurements

## (1) Fair Value Measurements at Reporting Date

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

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

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

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

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

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>Assets at Fair Value</b>					
Common Stocks, unaffiliated	\$ 196,162,535	\$	\$ 4,531,962	\$	\$ 200,694,497
Total	\$ 196,162,535	\$	\$ 4,531,962	\$	\$ 200,694,497
<b>Liabilities at Fair Value</b>					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

**NOTES TO FINANCIAL STATEMENTS**

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

Description	Beginning Balance at 1/1/2019	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	Settlem-ents	Ending Balance at 12/31/2019
<b>a. Assets</b>										
Common Stocks, unaffiliated	\$ 3,505,635	\$	\$	\$ -	\$ 1,026,326	\$ -	\$ -	\$ -	\$	\$ 4,531,962
<b>Total</b>	<b>\$ 3,505,635</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,026,326</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 4,531,962</b>
<b>b. Liabilities</b>										
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

## (3) Policies when Transfers Between Levels are Recognized

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

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

Not Applicable

## (5) Fair Value Disclosures

Not Applicable

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

Not Applicable

## C. Fair Value Level

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 710,560,018	\$ 682,454,182	\$ -	\$ 710,560,018	\$ -	\$	\$
Common Stocks, unaffiliated	\$ 200,694,497	\$ 200,694,497	\$ 196,162,535	\$ -	\$ 4,531,962	\$	\$
Short term investments	\$ 8,645,762	\$ 8,645,279	\$ 8,645,762	\$ -	\$	\$	\$

## Bonds and Common Stocks

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

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

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

## D. Not Practicable to Estimate Fair Value

Not Applicable

## E. NAV Practical Expedient Investments

Not Applicable

**Note 21 – Other Items**

## A. Unusual or Infrequent Items

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

## B. Troubled Debt Restructuring Debtors

The Company did not have any transactions related to troubled debt restructuring during the periods reported.

**NOTES TO FINANCIAL STATEMENTS****C. Other Disclosures**

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

**D. Business Interruption Insurance Recoveries**

There were no business interruption insurance recoveries received during the periods reported.

**E. State Transferable and Non-Transferable Tax Credits**

- (1) Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total

Not Applicable

- (2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits

Not Applicable

- (3) Impairment Loss

Not Applicable

- (4) State Tax Credits Admitted and Nonadmitted

Not Applicable

**F. Subprime Mortgage-Related Risk Exposure**

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

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

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

- (2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

- (3) Direct Exposure Through Other Investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 83,984	\$ 66,590	\$ 184,679	\$
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$ 83,984	\$ 66,590	\$ 184,679	\$

\* These investments comprise % of the company's invested assets.

- (4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

Not Applicable

**G. Insurance-Linked Securities (ILS) Contracts**

Not Applicable

**H. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****Note 22 – Events Subsequent**

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

Subsequent events have been considered through February 29, 2020 for these statutory financial statements which are to be issued on March 1, 2020.

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

Yes [ ] No [X]

		2019	2018
B.	ACA Fee Assessment Payable for the Upcoming Year	\$	\$
C.	ACA Fee Assessment Paid	\$	\$
D.	Premium Written Subject to ACA 9010 Assessment	\$	\$
E.	Total Adjusted Capital Before Surplus Adjustment (Five-Year Historical Line 28)	\$ 524,467,508	
F.	Total Adjusted Capital After Surplus Adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 524,467,508	
G.	Authorized Control Level (Five-Year Historical Line 29)	\$ 73,410,092	

- H. Would reporting the ACA assessment as of December 31, 2019 have triggered an RBC action level (YES/NO)?

Yes [ ] No [X]

**Note 23 – Reinsurance**

- A. Unsecured Reinsurance Recoverables

	NAIC Group Code	FEIN	Unsecured Recoverables
BrickStreet Mutual Insurance Company	12372	20-2394166	\$ 999,887,301
Motorists Commercial Mutual Ins Company	13331	41-0299900	\$ 214,559,150
Consumers Insurance USA Inc	10204	62-1590861	\$ 43,745,069
Wilson Mutual Insurance Company	19950	39-0739760	\$ 35,742,569
Iowa Mutual Insurance Company	14338	42-0333120	\$ 35,412,675
Phenix Mutual Fire Insurance Company	23175	02-0178290	\$ 32,999,683
PinnaclePoint Insurance Company	15137	46-1783383	\$ 16,664,788
SummitPoint Insurance Company	15136	46-1795752	\$ 16,664,788

- B. Reinsurance Recoverable in Dispute

As of December 31, 2019, the Company did not have any reinsurance receivables in dispute from any one reinsurer that exceeded 5% of policyholders surplus.

- C. Reinsurance Assumed and Ceded

- (1) Maximum Amount of Return Commission

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 359,711,337	\$ 44,393,169	\$ 336,691,542	\$ 44,285,682	\$ 23,019,795	\$ 107,488
b. All Other	4,244,834	906,414	1,291,327	127,861	2,953,507	778,553
c. Total	\$ 363,956,171	\$ 45,299,584	\$ 337,982,870	\$ 44,413,543	\$ 25,973,302	\$ 886,041
d. Direct Unearned Premium Reserves						\$ 135,399,568

- (2) Additional or Return Commission

	Direct	Assumed	Ceded	Net
a. Contingent commission	\$ 5,691,200	\$ 6,332,130	\$ 8,127,771	\$ 3,895,559
b. Sliding scale adjustments				
c. Other profit commission arrangements				
d. Total	\$ 5,691,200	\$ 6,332,130	\$ 8,127,771	\$ 3,895,559

- (3) Types of Risks Attributed to Protected Cell

- D. Not Applicable  
Uncollectible Reinsurance

There were not any reinsurance balances written off as uncollectible during the year.

- E. Commutation of Ceded Reinsurance

The Company did not commute any ceded reinsurance balances during the year.

- F. Retroactive Reinsurance

The Company did not have any retroactive reinsurance contracts in place during the periods reported.

- G. Reinsurance Accounted for as a Deposit

The Company did not have any agreements in place that required reinsurance to be accounted for as a deposit during the periods reported.

**NOTES TO FINANCIAL STATEMENTS****H. Disclosures for the Transfer of Property and Casualty Run-off Agreements**

The Company did not enter into any special run-off agreements.

**I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation**

## (1) Reporting Entity Ceding to Certified Reinsurer Whose Rating was Downgraded or Status Subject to Revocation

The Company has never been classified as a certified reinsurer, and its records do not reflect any certified reinsurers that experienced a rating downgrade or are subject to revocation action.

**J. Reinsurance Agreements Qualifying for Reinsurer Aggregation**

## (1) Significant Terms of the Retroactive Reinsurance Agreement

The Company does not hold any retroactive reinsurance agreements covering asbestos and pollution liabilities which qualify for reinsurer aggregation.

## (2) The amount of unexhausted limit as of December 31, 2019

Not Applicable

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination****A. Method Used by Reporting Entity to Estimate Accrued Retrospective Premium Adjustments**

Not Applicable

**B. Accrued Retrospective Premiums Recorded Through Written Premium or an Adjustment to Earned Premium**

Not Applicable

**C. Amount of Net Premiums Written Subject to Retrospective Rating Features and Percentage to Total Net Premiums Written**

Not Applicable

**D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.**

Not Applicable

**E. Nonadmitted Retrospective Premium**

## (1) For Ten Percent (10%) Method of determining Nonadmitted Retrospective Premium

Not Applicable

## (2) For Quality Rating Method of Determining Nonadmitted Retrospective Premium

Not Applicable

**F. Risk-Sharing Provisions of the Affordable Care Act**

Not Applicable

## (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions

Yes [ ] No [ X ]

## (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

Not Applicable

## (3) Roll forward of prior year ACA Risk-Sharing Provisions for the Following Asset (Gross of any Nonadmission) and Liability Balances, Along with the Reasons for Adjustments to Prior Year Balance:

Not Applicable

## (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Not Applicable

## (5) ACA Risk Corridors Receivable as of Reporting Date

Not Applicable

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses****A. Change in Incurred Losses and Loss Adjustment Expenses**

Reserves for the Company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect favorable development totaling \$42,380,468. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the workers' compensation, products liability, private passenger auto liability, commercial auto liability, auto physical damage, and homeowners lines of business. The favorable development in these lines was slightly offset by losses in the other liability and products liability-occurrence lines of business. The changes reflected in these lines were generally the result of recent development trends. There were not any premium adjustments made as a result of this loss and loss adjustment expense development.

**NOTES TO FINANCIAL STATEMENTS****B. Information about Significant Changes in Methodologies and Assumptions**

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

**Note 26 – Intercompany Pooling Arrangements****A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool**

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

**B. Description of Lines and Types of Business Subject to the Pooling Agreement**

The pooling arrangement covered premiums, losses and underwriting expenses for all lines during the year. Related finance and service charge income, agent and premium balance charge-offs, deficiency reserves, and policyholder dividends were also subject to the pooling arrangement.

**C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement**

Each Company recognized facultative and treaty reinsurance cessions with unaffiliated reinsurers prior to the administration of the intercompany pooling agreement.

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

As the lead insurer, Motorists Mutual assumed all net premiums, losses, loss adjustment expenses, and underwriting expenses and then ceded each pool participant its share of the pool.

**E. Explanation of Discrepancies Between Entries of Pooled Business**

There are no discrepancies between any entries regarding pooled business on the assumed and ceded reinsurance schedules of other pool participants.

**F. Description of Intercompany Sharing**

Underwriting-related balance sheet items such as premiums receivable, installments, reinsurance assumed premium receivables and loss payables, reinsurance ceded premium payables and loss receivables, general expense receivables and payables, funds held balances, advanced premiums, and outstanding drafts were also pooled.

**G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool**

As of December 31, 2019, the Company reported an aggregate pooling-related balance of \$2,973,291 payable to the other pool participants. The balances due to/from each of the other participants are listed below:

	Receivables/(Payables)
Motorists Mutual Insurance Company	\$ (2,973,291.00)
BrickStreet Mutual Insurance Company	\$ 5,672,798.00
Motorists Commercial Mutual Insurance Company	\$ (941,959.00)
Iowa Mutual Insurance Company	\$ 3,214,533.00
Wilson Mutual Insurance Company	\$ 1,570,189.00
Phenix Mutual Fire Insurance Company	\$ 3,031,475.00
PinnaclePoint Insurance Company	\$ (3,465,397.00)
SummitPoint Insurance Company	\$ (4,001,154.00)
Consumers Insurance USA, Inc.	\$ 394,248.00
Iowa American Insurance Company	\$ 894,172.00
MICO Insurance Company	\$ 3,014.00
NorthStone Insurance Company	\$ (3,042,321.00)
AlleghenyPoint Insurance Company	\$ (356,307.00)

**Note 27 – Structured Settlements****A. Reserves No Longer Carried**

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ 3,964,724	\$ 3,703,109

**NOTES TO FINANCIAL STATEMENTS****B. Annuities Which Equal or Exceed 1% of Policyholders' Surplus**

Not Applicable.

As of December 31, 2019, there were not any amounts in excess of 1% of the company's surplus due for annuities from any one life insurance company associated with purchased annuities for which the company did not receive a release of liability from the claimant.

**Note 28 – Health Care Receivables**

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

**Note 29 – Participating Policies**

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

**Note 30 – Premium Deficiency Reserves**

As of December 31, 2019 the Company reported no premium deficiency reserves.

- |   |                        |
|---|------------------------|
| 1. Liability carried for premium deficiency reserve:              | <u>\$0</u>             |
| 2. Date of most recent evaluation of this liability:              | <u>January 3, 2020</u> |
| 3. Was anticipated investment income utilized in the calculation? | Yes [ X ]    No [ ]    |

**Note 31 – High Deductibles**

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

**Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses****A. Tabular Discount**

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

**B. Nontabular Discount**

Not Applicable

**C. Changes in Rate(s) Used to Discount Prior Years' Liabilities**

Not Applicable

**Note 33 – Asbestos/Environmental Reserves****A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?**

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

## (1) Direct

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 3,959,106	\$ 3,699,236	\$ 3,622,877	\$ 3,425,381	\$ 2,966,122
b. Incurred losses and loss adjustment expense	176,950	449,419	168,263	(227,991)	1,086,191
c. Calendar year payments for losses and loss adjustment expenses	436,820	525,778	365,759	231,268	190,828
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 3,699,236	\$ 3,622,877	\$ 3,425,381	\$ 2,966,122	\$ 3,861,485

## (2) Assumed Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 833,091	\$ 792,704	\$ 712,478	\$ 1,067,854	\$ 1,034,255
b. Incurred losses and loss adjustment expense	(150)	3,719	440,916	(215)	19,500
c. Calendar year payments for losses and loss adjustment expenses	40,237	83,945	85,540	33,384	36,654
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 792,704	\$ 712,478	\$ 1,067,854	\$ 1,034,255	\$ 1,017,101

**NOTES TO FINANCIAL STATEMENTS**

## (3) Net of Ceded Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 4,739,223	\$ 4,484,888	\$ 4,331,050	\$ 4,484,929	\$ 3,990,699
b. Incurred losses and loss adjustment expense	179,396	454,964	604,732	(231,073)	1,095,386
c. Calendar year payments for losses and loss adjustment expenses	433,731	608,802	450,853	263,157	228,372
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 4,484,888	\$ 4,331,050	\$ 4,484,929	\$ 3,990,699	\$ 4,857,713

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

(1) Direct basis	\$ 3,353,125
(2) Assumed reinsurance basis	798,471
(3) Net of ceded reinsurance basis	\$ 4,133,228

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

(1) Direct basis	\$ 481,082
(2) Assumed reinsurance basis	52,154
(3) Net of ceded reinsurance basis	\$ 524,052

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

Yes. The Company had exposure to environmental losses during the periods reported. Direct exposure arose from the sale of general liability, commercial auto liability, and homeowners business. The Company also had exposure through its unaffiliated reinsurance assumed operations and an intercompany pooling arrangement (reference Note 26). The Company estimates the impact of its direct exposure by establishing case reserves on all known losses and by computing IBNR losses based on previous experience. The Company relies on case and IBNR reserves established by the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from unaffiliated reinsurance assumed operations.

## (1) Direct

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 1,370,164	\$ 1,471,929	\$ 1,418,652	\$ 1,630,273	\$ 1,267,354
b. Incurred losses and loss adjustment expense	178,295	77,784	338,690	(214,614)	(63,227)
c. Calendar year payments for losses and loss adjustment expenses	76,530	131,061	127,069	148,305	68,655
d. Ending reserves	\$ 1,471,929	\$ 1,418,652	\$ 1,630,273	\$ 1,267,354	\$ 1,135,472

## (2) Assumed Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 164,867	\$ 98,082	\$ 95,360	\$ 156,933	\$ 228,336
b. Incurred losses and loss adjustment expense	(34,508)	10,726	81,213	88,629	400
c. Calendar year payments for losses and loss adjustment expenses	32,277	13,448	19,640	17,226	15,699
d. Ending reserves	\$ 98,082	\$ 95,360	\$ 156,933	\$ 228,336	\$ 213,037

## (3) Net of Ceded Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 1,492,516	\$ 1,550,124	\$ 1,501,697	\$ 1,733,638	\$ 1,391,459
b. Incurred losses and loss adjustment expense	167,641	91,776	368,366	(179,156)	(47,337)
c. Calendar year payments for losses and loss adjustment expenses	110,033	140,203	136,425	163,023	91,437
d. Ending reserves	\$ 1,550,124	\$ 1,501,697	\$ 1,733,638	\$ 1,391,459	\$ 1,252,685

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

(1) Direct basis	\$ 914,822
(2) Assumed reinsurance basis	154,784
(3) Net of ceded reinsurance basis	\$ 985,284

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**NOTES TO FINANCIAL STATEMENTS**

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

(1) Direct basis	\$ 366,651
(2) Assumed reinsurance basis	64,675
(3) Net of ceded reinsurance basis	\$ 389,165

**Note 34 – Subscriber Savings Accounts**

Not Applicable

**Note 35 – Multiple Peril Crop Insurance**

Not Applicable

**Note 36 – Financial Guaranty Insurance**

Not Applicable.

# MOTORISTS MUTUAL INSURANCE COMPANY

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  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.  12/31/2018
- 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.  12/31/2018
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).  11/07/2014
- 3.4 By what department or departments?  
OHIO DEPARTMENT OF INSURANCE
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?  Yes [ ]  No [X]  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 [ ]  No [X]
- 4.22 renewals?  Yes [ ]  No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?  Yes [ ]  No [X]  
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              | 2<br>NAIC<br>Company<br>Code | 3<br>State of<br>Domicile |
|----------------|------------------------------|---------------------------|
| Name of Entity |                              |                           |
- 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<br>Nationality | 2<br>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<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG LLP 191 W. Nationwide Blvd., Suite 500, Columbus OH 43215
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?  Yes [ ]  No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to 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:

# MOTORISTS MUTUAL INSURANCE COMPANY

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

10.5	Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?			Yes [ X ]	No [ ]	N/A [ ]								
10.6	If the response to 10.5 is no or n/a, please explain:													
11.	What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?													
	<u>Derek A. Jones, FCAS, MAAA, Milliman, One Pennsylvania Plaza, 38th Floor, New York, NY 10119, who is a consulting actuary for the Encova Mutual Insurance Group</u>													
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?			Yes [ ]	No [ X ]									
	12.11	Name of real estate holding company												
	12.12	Number of parcels involved				0								
	12.13	Total book/adjusted carrying value				\$ 0								
12.2	If yes, provide explanation													
13.	<b>FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>													
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?													
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?			Yes [ ]	No [ ]									
13.3	Have there been any changes made to any of the trust indentures during the year?			Yes [ ]	No [ ]									
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?			Yes [ ]	No [ ]	N/A [ ]								
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?			Yes [ X ]	No [ ]									
	(a)	Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;												
	(b)	Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;												
	(c)	Compliance with applicable governmental laws, rules and regulations;												
	(d)	The prompt internal reporting of violations to an appropriate person or persons identified in the code; and												
	(e)	Accountability for adherence to the code.												
14.11	If the response to 14.1 is no, please explain:													
14.2	Has the code of ethics for senior managers been amended?			Yes [ ]	No [ X ]									
14.21	If the response to 14.2 is yes, provide information related to amendment(s).													
14.3	Have any provisions of the code of ethics been waived for any of the specified officers?			Yes [ ]	No [ X ]									
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).													
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.			<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">1 American Bankers Association (ABA) Routing Number</th> <th style="width: 25%;">2 Issuing or Confirming Bank Name</th> <th style="width: 25%;">3 Circumstances That Can Trigger the Letter of Credit</th> <th style="width: 25%;">4 Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>\$ 0</td> </tr> </tbody> </table>			1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount				\$ 0
1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount											
			\$ 0											
<b>BOARD OF DIRECTORS</b>														
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 [ ]									
<b>FINANCIAL</b>														
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):			\$ 0										
	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 reported in the statement?			Yes [ ]	No [ X ]									
21.2	If yes, state the amount thereof at December 31 of the current year:													
	21.21	Rented from others		\$ 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 <i>Annual Statement Instructions</i> 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 [ ]									

# MOTORISTS MUTUAL INSURANCE COMPANY

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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

\$ \_\_\_\_\_ 0

#### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?
- 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).

Yes [X] No [ ]

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 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?
- 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:
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:
- 24.103 Total payable for securities lending reported on the liability page:

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

\$ \_\_\_\_\_ 0

\$ \_\_\_\_\_ 0

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

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

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

- 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	\$ 3,066,600
25.28 On deposit with states	\$ 1,929,311
25.29 On deposit with other regulatory bodies	\$ _____ 0
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$ _____ 0
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$ 51,723,271
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.

**Lines 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:**

- 26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?

Yes [ ] No [ ]

- 26.4 If the response to 26.3 is yes, does the reporting entity utilize:

Yes [ ] No [ ]

- 26.41 Special accounting provision of SSAP No. 108

Yes [ ] No [ ]

- 26.42 Permitted accounting practice

Yes [ ] No [ ]

- 26.43 Other accounting guidance

Yes [ ] No [ ]

- 26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

Yes [ ] No [ ]

- The reporting entity has obtained explicit approval from the domiciliary state.

- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.

- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guidance Conditional Tail Expectation Amount.

- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

- 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
BNY Mellon	500 Grant Street One Mellon Center, Suite #1035, Pittsburgh, PA 15258

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

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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

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

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

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

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
Chickasaw Capital Management, LLC	U
New England Asset Management, Inc.	U
Northern Trust Investments, Inc.	U

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

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

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
127398	Chickasaw Capital Management, LLC	254900X6FRILTWAB610	SEC	NO
109846	New England Asset Management, Inc.	KUR85E5PS4GQFZTFC130	SEC	NO
105900	Northern Trust Investments, Inc.	BEL4B8X7EHJU845Y2N39	SEC	NO

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
04314H 85 7	Artisan Intl Val Fund 1	\$ 33,716,025
04314H 66 7	Artisan Intl Val ADV	\$ 20,725,296
29.2999 TOTAL		\$ 54,441,321

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
Artisan Intl Val Fund 1	Samsung Electronics Co Ltd	\$ 1,992,617	12/31/2019
Artisan Intl Val Fund 1	Arch Capital Group Ltd	\$ 1,780,206	12/31/2019
Artisan Intl Val Fund 1	BlackRock Liquidity Funds T-Fund Institutional	\$ 1,614,998	12/31/2019
Artisan Intl Val Fund 1	Compass Group PLC	\$ 1,598,140	12/31/2019
Artisan Intl Val Fund 1	Federal Treasury Obligations Fund Insti Shs	\$ 1,567,795	12/31/2019
Artisan Intl Val ADV	Samsung Electronics Co Ltd	\$ 1,224,865	12/31/2019
Artisan Intl Val ADV	Arch Capital Group Ltd.	\$ 1,094,296	12/31/2019
Artisan Intl Val ADV	BlackRock Liquidity Funds T-Fund Institutional	\$ 992,742	12/31/2019
Artisan Intl Val ADV	Compass Group PLC	\$ 982,379	12/31/2019
Artisan Intl Val ADV	Federated Treasury Obligations Fund Insti Shs	\$ 963,726	12/31/2019

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	\$ 691,099,461	\$ 719,205,779	\$ 28,106,319
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 691,099,461	\$ 719,205,779	\$ 28,106,319

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

The Fair Value of securities is determined using quoted market prices when available, external pricing service, svp pricing, fair values available from custodians or investment managers.

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

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

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

# MOTORISTS MUTUAL INSURANCE COMPANY

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 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:
- 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.
  - Issuer or obligor is current on all contracted interest and principal payments.
  - 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:
- The security was purchased prior to January 1, 2018.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - 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.
  - 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]
35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- The shares were purchased prior to January 1, 2019.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
  - The fund only or predominantly holds bonds in its portfolio.
  - The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
  - The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
- Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [ ] No [X]

### OTHER

- |  |                  |
|--|------------------|
| 36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?  | \$ 1,936,189     |
| 36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement. | \$               |
| 1<br>Name  | 2<br>Amount Paid |
|  | \$               |
- 37.1 Amount of payments for legal expenses, if any? \$ 159,882
- 37.2 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<br>Name                            | 2<br>Amount Paid |
| CARYN GROEDEL AND ASSOCIATES CO. LPA | \$ 164,234       |
- 38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0
- 38.2 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<br>Name | 2<br>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	\$ 89	\$ 118
2.2	Premium Denominator	\$ 348,694,259	\$ 352,114,208
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	\$ (933)	\$ (933)
2.5	Reserve Denominator	\$ 786,662,548	\$ 776,159,468
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 [ X ]
4.2	Does the reporting entity issue non-assessable policies?	Yes [ X ]	No [ ]
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?		%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$	0
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes [ ]	No [ ]
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes [ ]	No [ ]
5.22	As a direct expense of the exchange	Yes [ ]	N/A [ ]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes [ ]	No [ ]
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?		
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:  <i>The Lead Company to in the pooling arrangement performs a concentration of risk study using mapping software to determine the probable maximum insurance loss. Management Solutions (RMS) RiskLink and AIR Touchstone catastrophe models. Analysis is performed for the perils of hurricane, severe convective storm, winter storm, and earthquake. The PML driver on low return periods (~20 years) is severe convective storm. Starting around the 150 year return period, hurricane becomes the largest driver of the PML. The highest concentration of exposure (total insured value) is in Ohio. Ohio also has the highest gross average annual loss (Gross AAL). 8 of the top 10 counties for Gross AAL are in Ohio. The other two counties are in Kentucky and Pennsylvania. 6 of the top 10 counties for Gross AAL are in Ohio. The other counties are in Nebraska, Kentucky, Minnesota, and Iowa. The Encova Mutual Insurance Group (Formerly Motorists Insurance Group) utilizes JLT Re's CATography tool to analyze and manage The Group to which this Company is a party through its pooling arrangement, works with reinsurance brokers to assist in developing maximum probable losses. Both Property and Casualty exposures are analyzed for probably maximum loss and including various scenarios.</i>	Yes [ ]	No [ ]
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?		

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss: 0
- 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 [X] No [ ]
- 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 [X] No [ ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: Yes [ ] No [X]
- (a) A contract term longer than two years and the contract is noncancelable 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?
- 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: Yes [ ] No [X]
- (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.
- 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: Yes [ ] No [X]
- (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 37 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: Yes [ ] No [X]
- (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?
- 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. Yes [ ] No [X]
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: Yes [ ] No [X]
- (a) The entity does not utilize reinsurance; or,
  - (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
  - (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance 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: \$ 0
- 12.11 Unpaid losses
  - 12.12 Unpaid underwriting expenses (including loss adjustment expenses)
- 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 [X] N/A [ ]
- 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:

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

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):	\$	648,000			
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 facilities or facultative obligatory contracts) considered in the calculation of the amount.	2				
14.1 Is the reporting entity a cedant in a multiple cedant reinsurance contract?	Yes [X]	No [ ]			
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 [X]	No [ ]			
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 [ ]			

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**FIVE-YEAR HISTORICAL DATA**

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

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
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).....	733,118,827	890,714,324	362,619,497	360,891,974	353,567,235
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	141,747,730	157,690,298	162,040,460	159,667,521	162,785,211
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	217,766,741	197,103,654	204,026,304	210,895,259	221,694,335
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	666,735	1,030,135	1,160,774	1,148,290	1,074,429
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	13,498,399	8,294,031	7,272,621	7,611,426	7,401,251
6. Total (Line 35).....	1,106,798,431	1,254,832,443	737,119,656	740,214,470	746,522,461
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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).....	235,486,911	231,375,857	243,775,690	239,546,145	236,885,164
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	45,468,314	25,324,821	109,857,608	106,435,618	107,437,227
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	68,511,692	25,396,382	135,321,489	137,358,526	141,366,130
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	215,716	148,276	794,313	774,216	722,290
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	4,373,481	2,521,821	4,981,745	5,213,827	5,069,857
12. Total (Line 35).....	354,056,115	284,767,157	494,730,845	489,328,332	491,480,668
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	(7,122,309)	17,838,927	(127,919,257)	(11,560,328)	(8,645,977)
14. Net investment gain (loss) (Line 11).....	40,611,082	48,669,132	30,945,473	29,528,360	18,453,076
15. Total other income (Line 15).....	11,051,100	(5,717,973)	10,655,491	4,164,628	2,459,922
16. Dividends to policyholders (Line 17).....	908,275	2,200,089	2,760,795	2,306,002	2,692,891
17. Federal and foreign income taxes incurred (Line 19).....	650,861	(4,686,042)	3,270,930	88,660	1,765,431
18. Net income (Line 20).....	42,980,738	63,276,040	(92,350,018)	19,737,998	7,808,699
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	1,753,260,974	1,612,580,695	1,370,810,725	1,359,654,695	1,387,354,078
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	53,080,836	48,394,901	22,082,182	23,617,927	39,413,776
20.2 Deferred and not yet due (Line 15.2).....	77,052,540	117,201,076	123,999,858	119,233,063	114,488,837
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,228,793,463	1,162,725,747	910,144,826	815,395,667	833,490,269
22. Losses (Page 3, Line 1).....	511,170,241	500,780,495	338,314,315	289,035,938	286,236,131
23. Loss adjustment expenses (Page 3, Line 3).....	89,156,870	91,051,094	84,784,538	72,287,635	70,619,300
24. Unearned premiums (Page 3, Line 9).....	161,372,870	156,011,014	223,358,065	223,377,582	224,964,101
25. Capital paid up (Page 3, Lines 30 & 31).....					
26. Surplus as regards policyholders (Page 3, Line 37).....	524,467,508	449,854,944	460,665,899	544,259,029	553,863,809
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	43,711,109	91,063,126	(58,166,546)	17,570,401	27,537,163
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	524,467,508	453,150,090	464,841,655	548,334,375	557,957,895
29. Authorized control level risk-based capital.....	73,410,092	65,750,830	79,308,314	66,953,099	65,905,122
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	59.7	61.5	56.3	62.9	64.8
31. Stocks (Lines 2.1 & 2.2).....	26.3	23.8	27.7	22.4	21.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	3.0	2.9	3.0	2.9	2.7
34. Cash, cash equivalents and short-term investments (Line 5).....	1.1	1.9	2.2	0.7	(0.0)
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	9.9	9.8	10.7	11.0	10.6
38. Receivables for securities (Line 9).....	0.0	0.0	0.1	0.1	0.0
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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).....	100,418,822	94,191,032	100,091,524	104,775,333	104,825,034
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
48. Total of above lines 42 to 47.....	100,418,822	110,191,032	116,091,524	120,775,333	120,825,034
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).....	19.1	24.5	25.2	22.2	21.8

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**FIVE-YEAR HISTORICAL DATA**  
(Continued)

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....	36,990,792	(51,313,795)	6,171,637	(2,215,065)	(1,070,632)
52. Dividends to stockholders (Line 35).....	.....	.....	.....	.....	.....
53. Change in surplus as regards policyholders for the year (Line 38).....	74,612,560	(10,810,956)	(83,593,130)	(9,604,780)	(3,543,999)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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).....	353,522,922	(637,744,938)	189,163,160	188,352,721	170,289,573
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	83,435,933	82,344,707	89,564,563	81,605,498	86,707,003
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	116,098,341	98,310,820	130,144,674	112,488,868	113,394,221
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	302,001	688,153	263,637	699,767	169,840
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	7,924,704	5,462,382	5,093,404	6,250,018	4,148,646
59. Total (Line 35).....	561,283,901	(450,938,876)	414,229,438	389,396,872	374,709,283
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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).....	111,980,447	(61,880,520)	127,404,349	124,752,366	112,205,529
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	26,958,072	31,460,016	61,342,240	55,834,120	59,305,573
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	36,264,681	48,359,696	86,308,185	69,421,249	74,468,628
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	97,848	400,823	180,591	479,340	116,340
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,567,604	10,487,128	3,488,982	4,281,262	2,841,822
65. Total (Line 35).....	177,868,653	28,827,143	278,724,347	254,768,337	248,937,892
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	54.0	54.3	66.3	52.5	51.7
68. Loss expenses incurred (Line 3).....	15.1	13.9	17.2	11.6	12.7
69. Other underwriting expenses incurred (Line 4).....	33.0	26.7	42.4	38.2	37.3
70. Net underwriting gain (loss) (Line 8).....	(2.0)	5.1	(25.9)	(2.4)	(1.7)
<b>Other Percentages</b>					
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).....	29.4	35.0	40.2	37.5	37.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	69.0	68.2	83.5	64.1	64.4
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).....	67.5	63.3	107.4	89.9	88.7
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(23,064)	(58,526)	28,009	(3,619)	(13,964)
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).....	(5.1)	(12.7)	5.1	(0.7)	(2.5)
<b>Two Year Loss Development (\$000 omitted)</b>					
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).....	(90,545)	(59,288)	11,178	(9,222)	(24,845)
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).....	(19.7)	(10.9)	2.0	(1.7)	(4.4)

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

Yes  No

If no, please explain:

## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

## SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....4,181	.....1,026	.....488	.....99	.....437	.....9	.....99	.....3,971	....XXX.....	
2. 2010.....	....282,266	.....16,423	....265,844	.....153,024	.....7,189	.....14,506	.....1,263	.....22,676	.....513	.....3,024	.....181,241	....XXX.....	
3. 2011.....	....274,104	.....19,622	....254,482	.....162,779	.....15,210	.....13,590	.....1,655	.....23,181	.....884	.....2,711	.....181,800	....XXX.....	
4. 2012.....	....281,136	.....25,695	....255,440	.....153,854	.....14,817	.....16,225	.....2,576	.....23,779	.....1,204	.....2,887	.....175,260	....XXX.....	
5. 2013.....	....306,542	.....31,685	....274,858	.....160,523	.....19,706	.....17,792	.....3,421	.....25,113	.....1,460	.....2,755	.....178,841	....XXX.....	
6. 2014.....	....323,309	.....38,727	....284,583	.....162,138	.....17,832	.....18,327	.....4,046	.....24,727	.....1,720	.....3,134	.....181,594	....XXX.....	
7. 2015.....	....316,268	.....47,490	....268,778	.....149,778	.....22,423	.....16,974	.....3,738	.....22,878	.....1,634	.....2,810	.....161,835	....XXX.....	
8. 2016.....	....376,677	.....40,713	....335,965	.....163,101	.....12,772	.....14,770	.....2,015	.....30,382	.....1,729	.....6,175	.....191,736	....XXX.....	
9. 2017.....	....383,821	.....25,167	....358,654	.....163,440	.....8,629	.....11,567	.....531	.....31,690	.....1,506	.....5,694	.....196,031	....XXX.....	
10. 2018.....	....361,033	.....8,919	....352,114	.....129,638	.....1,973	.....7,471	.....4	.....25,726	.....6	.....5,312	.....160,851	....XXX.....	
11. 2019.....	....358,097	.....9,403	....348,694	.....89,199	.....2,238	.....7,238		.....25,609	.....7	.....2,381	.....119,801	....XXX.....	
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....1,491,654	....123,817	....138,948	....19,349	....256,199	....10,673	....36,982	....1,732,962	....XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22				
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded				
1. Prior.....	....51,743	....8,917	....35,430	....5,360	.....0		....3,052	....1,183	....2,801	.....6		....77,561	....XXX.....	
2. 2010.....	....6,472	....160	....5,355	....872				....481	....175	....542	.....2		....11,641	....XXX.....
3. 2011.....	....5,673	....485	....5,574	....1,233				....625	....230	....496	.....3		....10,417	....XXX.....
4. 2012.....	....12,869	....564	....5,583	....3,230	....3			....1,007	....551	....1,179	.....(6)		....16,302	....XXX.....
5. 2013.....	....16,357	....708	....9,171	....3,438	....65			....1,792	....827	....1,359	.....(14)		....23,786	....XXX.....
6. 2014.....	....16,432	....2,373	....16,939	....4,888	....22			....2,512	....2,791	....2,572	.....140		....28,284	....XXX.....
7. 2015.....	....18,086	....1,347	....16,474	....2,989	....10			....2,488	....797	....3,801	.....(60)		....35,786	....XXX.....
8. 2016.....	....17,330	....614	....21,767	....1,374	....25			....4,320	....(43)	....2,052	.....(45)		....43,596	....XXX.....
9. 2017.....	....27,003	....1,271	....36,958	....222	....38			....10,526		....2,545			....75,578	....XXX.....
10. 2018.....	....40,617	....840	....53,001	....534	....22			....18,494		....3,595			....114,355	....XXX.....
11. 2019.....	....62,108	....3,276	....75,783	....862	....4			....20,574	....8,689				....163,021	....XXX.....
12. Totals.....	....274,691	....20,555	....282,036	....25,001	....190	....0		....65,870	....6,511	....29,633	....25	....0	....600,328	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior..	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....			....XXX.....	....72,897	....4,664
2. 2010.....	....203,056	....10,174	....192,883	....71.9	....61.9	....72.6				....10,795	....847
3. 2011.....	....211,918	....19,700	....192,217	....77.3	....100.4	....75.5				....9,529	....889
4. 2012.....	....214,499	....22,937	....191,563	....76.3	....89.3	....75.0				....14,658	....1,644
5. 2013.....	....232,171	....29,544	....202,627	....75.7	....93.2	....73.7				....21,383	....2,403
6. 2014.....	....243,670	....33,791	....209,878	....75.4	....87.3	....73.7				....26,109	....2,175
7. 2015.....	....230,490	....32,869	....197,621	....72.9	....69.2	....73.5				....30,224	....5,562
8. 2016.....	....253,748	....18,416	....235,332	....67.4	....45.2	....70.0				....37,110	....6,486
9. 2017.....	....283,768	....12,159	....271,609	....73.9	....48.3	....75.7				....62,469	....13,110
10. 2018.....	....278,564	....3,357	....275,207	....77.2	....37.6	....78.2				....92,245	....22,111
11. 2019.....	....289,205	....6,383	....282,822	....80.8	....67.9	....81.1				....133,754	....29,267
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0	....0	....XXX.....	....511,172	....89,157

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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019	11 One Year	12 Two Year
1. Prior....	328,933	305,333	289,362	274,570	266,958	245,415	238,649	218,512	220,642	212,901	(7,742)	(5,611)
2. 2010....	198,438	195,577	192,213	190,980	185,413	180,781	178,548	175,516	173,989	170,179	(3,810)	(5,337)
3. 2011....	XXX....	192,656	187,193	188,876	184,371	179,877	175,584	172,730	171,940	169,427	(2,513)	(3,303)
4. 2012....	XXX....	XXX....	181,104	177,709	173,115	172,555	169,324	167,846	166,939	167,803	864	(43)
5. 2013....	XXX....	XXX....	XXX....	189,493	189,037	187,472	183,914	181,092	177,563	177,600	38	(3,492)
6. 2014....	XXX....	XXX....	XXX....	XXX....	192,340	194,228	193,013	190,113	184,245	184,439	194	(5,674)
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	185,031	184,015	182,429	176,156	172,516	(3,641)	(9,913)
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	220,065	226,777	212,278	204,581	(7,697)	(22,196)
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	273,857	246,522	238,880	(7,642)	(34,977)
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	237,008	245,892	8,884	XXX....
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	248,531	XXX....	XXX....
										12. Totals....	(23,064)	(90,545)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019		
1. Prior....	000....	46,289	79,908	97,857	111,245	118,746	125,508	131,232	134,592	138,135	XXX....	XXX....
2. 2010....	73,012	114,705	132,516	144,179	150,813	154,306	157,139	159,514	158,631	159,078	XXX....	XXX....
3. 2011....	XXX....	77,481	117,055	133,714	145,372	151,289	155,375	157,519	158,485	159,503	XXX....	XXX....
4. 2012....	XXX....	XXX....	62,763	103,851	122,634	133,880	142,635	147,228	149,441	152,685	XXX....	XXX....
5. 2013....	XXX....	XXX....	XXX....	63,512	105,242	125,997	139,980	147,862	151,625	155,188	XXX....	XXX....
6. 2014....	XXX....	XXX....	XXX....	XXX....	69,024	112,026	132,282	146,750	154,309	158,587	XXX....	XXX....
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	60,920	100,330	121,574	133,023	140,591	XXX....	XXX....
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	83,984	129,120	151,806	163,083	XXX....	XXX....
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	96,676	145,997	165,847	XXX....	XXX....
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	86,269	135,132	XXX....	XXX....
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	94,199	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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019
1. Prior....	213,368	171,536	141,172	113,854	101,048	76,900	64,949	41,108	42,196	31,939
2. 2010....	67,163	47,788	34,612	27,819	21,112	16,131	12,345	8,396	8,400	4,790
3. 2011....	XXX....	71,755	43,529	33,212	24,150	18,622	12,163	8,167	7,175	4,736
4. 2012....	XXX....	XXX....	66,027	41,316	23,981	19,536	12,112	6,715	3,539	2,809
5. 2013....	XXX....	XXX....	XXX....	70,779	41,416	30,198	20,261	13,407	9,111	6,698
6. 2014....	XXX....	XXX....	XXX....	XXX....	67,516	46,001	30,967	22,216	14,009	11,770
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	71,697	51,385	34,442	24,248	15,176
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	77,109	54,519	37,160	24,756
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	106,014	61,891	47,262
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	87,197	70,961
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	95,496

**MOTORISTS MUTUAL INSURANCE COMPANY**  
**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		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)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL	Q.....							
2. Alaska.....	AK	N.....							
3. Arizona.....	AZ	N.....							
4. Arkansas.....	AR	N.....							
5. California.....	CA	Q.....							
6. Colorado.....	CO	N.....							
7. Connecticut.....	CT	Q.....							
8. Delaware.....	DE	Q.....							
9. District of Columbia.....	DC	N.....							
10. Florida.....	FL	N.....							
11. Georgia.....	GA	Q.....							
12. Hawaii.....	HI	N.....							
13. Idaho.....	ID	N.....							
14. Illinois.....	IL	Q.....							
15. Indiana.....	IN	L.....	27,700,316	32,456,032		15,963,932	11,142,302	26,309,286	.97,049
16. Iowa.....	IA	Q.....							
17. Kansas.....	KS	N.....							
18. Kentucky.....	KY	L.....	45,499,200	53,789,921		28,814,663	24,551,976	36,926,550	141,034
19. Louisiana.....	LA	N.....							
20. Maine.....	ME	Q.....							
21. Maryland.....	MD	Q.....							
22. Massachusetts.....	MA	Q.....							
23. Michigan.....	MI	L.....	4,254,625	11,197,158		18,485,752	9,159,171	16,497,278	.15,110
24. Minnesota.....	MN	N.....							
25. Mississippi.....	MS	N.....							
26. Missouri.....	MO	Q.....							
27. Montana.....	MT	Q.....							
28. Nebraska.....	NE	Q.....							
29. Nevada.....	NV	N.....							
30. New Hampshire.....	NH	Q.....							
31. New Jersey.....	NJ	Q.....							
32. New Mexico.....	NM	N.....							
33. New York.....	NY	Q.....							
34. North Carolina.....	NC	Q.....							
35. North Dakota.....	ND	Q.....							
36. Ohio.....	OH	L.....	204,155,173	223,895,744		130,412,565	129,700,040	107,931,701	1,223,896
37. Oklahoma.....	OK	Q.....							
38. Oregon.....	OR	Q.....							
39. Pennsylvania.....	PA	L.....	49,901,588	59,371,089	613,922	31,189,321	32,631,686	57,901,164	.219,102
40. Rhode Island.....	RI	Q.....							
41. South Carolina.....	SC	Q.....							
42. South Dakota.....	SD	Q.....							
43. Tennessee.....	TN	Q.....							
44. Texas.....	TX	Q.....							
45. Utah.....	UT	Q.....							
46. Vermont.....	VT	Q.....							
47. Virginia.....	VA	Q.....							
48. Washington.....	WA	N.....							
49. West Virginia.....	WV	L.....	17,880,217	21,269,898		7,871,092	12,271,172	15,351,550	.43,941
50. Wisconsin.....	WI	Q.....							
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
59. Totals.....		XXX.....	349,391,119	401,979,842	613,922	232,737,326	219,456,348	260,917,529	1,740,132

## 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

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 6

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)..... 0

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile..... 0

(b) Explanation of Basis of Allocation of Premiums by States, etc.

Premiums are assigned to state based on the following methods:

1) the location of the risk for lines 1, 2, 4, 5, 8, 9, 12, 16, 26, and 27

2) the location of the insured's operation for lines 17 and 18

3) the principal garaging location for lines 19 and 21

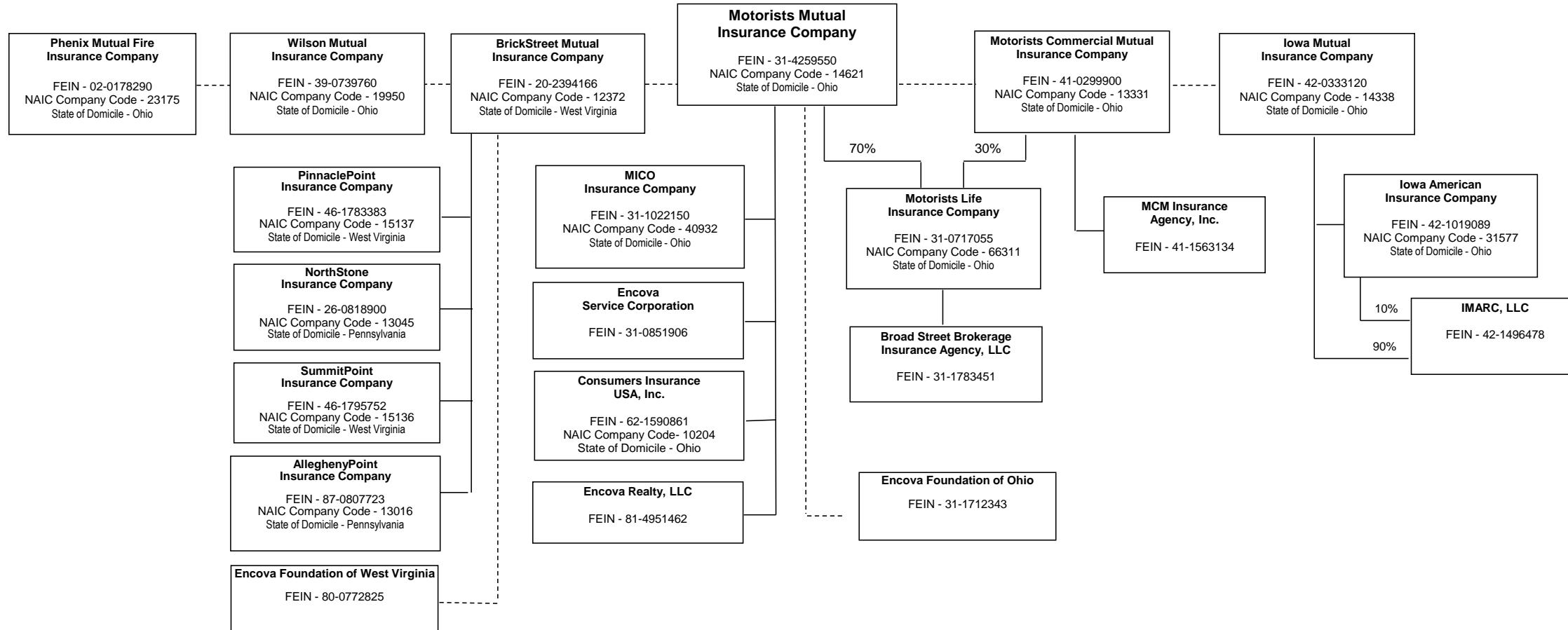
4) the location of the employer for line 23

R - Registered - Non-domiciled RRGs..... 0

Q - Qualified - Qualified or accredited reinsurer..... 29

N - None of the above - Not allowed to write business in the state..... 22

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



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