



ANNUAL STATEMENT
For the Year Ended December 31, 2019
of the Condition and Affairs of the
Safe Auto Insurance Company

NAIC Group Code.....	4940, 4940	NAIC Company Code.....	25405	Employer's ID Number.....	31-1379882
	(Current Period) (Prior Period)				
Organized under the Laws of OH		State of Domicile or Port of Entry	OH	Country of Domicile	US
Incorporated/Organized.....	May 28, 1993	Commenced Business.....	August 25, 1993		
Statutory Home Office	4 Easton Oval .. Columbus .. OH 43219				
	(Street and Number) (City or Town, State, Country and Zip Code)				
Main Administrative Office	4 Easton Oval .. Columbus .. OH 43219			614-231-0200	
	(Street and Number) (City or Town, State, Country and Zip Code)			(Area Code) (Telephone Number)	
Mail Address	4 Easton Oval .. Columbus .. OH 43219				
	(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)				
Primary Location of Books and Records	4 Easton Oval .. Columbus .. OH 43219			614-231-0200	
	(Street and Number) (City or Town, State, Country and Zip Code)			(Area Code) (Telephone Number)	
Internet Web Site Address	www.safeauto.com				
Statutory Statement Contact	Thomas J Happensack			614-944-7680	
	(Name)			(Area Code) (Telephone Number) (Extension)	
	thomas.happensack@safeauto.com			614-559-5357	
	(E-Mail Address)			(Fax Number)	

OFFICERS

Name	Title	Name	Title
1. Ronald H Davies	Chief Executive Officer & President	2. Kelly A Armstrong	Chief Legal Officer & Secretary
3. Gregory A Sutton	Chief Financial Officer & Treasurer	4. Thomas J Happensack	Controller
OTHER			
Evan McKee	Product Leader	Charles Kordes #	Chief Information Leader

DIRECTORS OR TRUSTEES

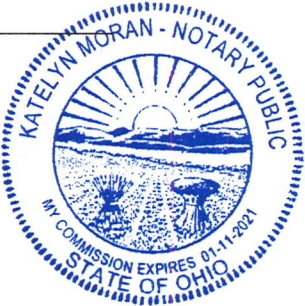
Ronald H Davies	Ari Deshe	Elie Deshe	Jon P Diamond
Gabriel Gliksberg	William Graves	Oded Gur-Arie	Karen Morrison

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

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

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

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 24th day of February 2020	b. If no	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	



ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	209,638,958		209,638,958	219,709,573
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	689,500		689,500	689,500
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	22,722,332		22,722,332	25,358,237
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....11,186,416, Schedule E-Part 1), cash equivalents (\$....2,072,692, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	13,259,108		13,259,108	11,270,360
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	16,791,325		16,791,325	15,261,015
9. Receivables for securities.....			0	
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).....	263,101,223	0	263,101,223	272,288,685
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,401,505		1,401,505	1,612,124
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	15,774,913		15,774,913	18,162,168
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	46,863,101		46,863,101	54,829,602
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	127,264		127,264	
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.....	6,059,406		6,059,406	4,589,803
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	2,698,238	2,204,658	493,580	1,334,253
21. Furniture and equipment, including health care delivery assets (\$.....0).....	314,060	314,060	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	6,065,715		6,065,715	6,937,976
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	21,202,143	247,748	20,954,395	15,627,655
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	363,607,568	2,766,466	360,841,102	375,382,266
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	363,607,568	2,766,466	360,841,102	375,382,266

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Corporate owned life insurance.....	9,059,382		9,059,382	7,251,606
2502. Deferred compensation life insurance.....	11,786,963		11,786,963	8,251,254
2503. Prepaid expenses.....	247,748	247,748	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	108,050	0	108,050	124,795
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	21,202,143	247,748	20,954,395	15,627,655

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	104,648,505	109,415,119
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		7,914
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	18,279,000	20,073,282
4. Commissions payable, contingent commissions and other similar charges.....	51,178	53,934
5. Other expenses (excluding taxes, licenses and fees).....	13,891,342	19,893,508
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,465,508	5,406,975
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	81,099,788	94,030,975
10. Advance premium.....		30,426
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....	3,709	5,371
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	15,568,611	15,224,292
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	2,323,365	2,634,592
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	240,331,006	266,776,388
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	240,331,006	266,776,388
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	54,400,000	54,400,000
35. Unassigned funds (surplus).....	63,610,096	51,705,878
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).....	120,510,096	108,605,878
38. TOTAL (Page 2, Line 28, Col. 3).....	360,841,102	375,382,266

DETAILS OF WRITE-INS

2501. Funds set aside for escheatment.....	2,323,365	2,434,592
2502. Market conduct reserve.....		200,000
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	2,323,365	2,634,592
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

Safe Auto Insurance Company
STATEMENT OF INCOME

			1	2
			Current Year	Prior Year
UNDERWRITING INCOME				
1.	Premiums earned (Part 1, Line 35, Column 4).....		354,568,982	385,295,598
DEDUCTIONS:				
2.	Losses incurred (Part 2, Line 35, Column 7).....		206,619,466	217,625,154
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		35,082,599	34,481,121
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		134,435,609	135,393,655
5.	Aggregate write-ins for underwriting deductions.....		0	0
6.	Total underwriting deductions (Lines 2 through 5).....		376,137,674	387,499,930
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....		(21,568,692)	(2,204,332)
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....		7,411,568	7,651,271
10.	Net realized capital gains (losses) less capital gains tax of \$.....(13,939) (Exhibit of Capital Gains (Losses)).....		(51,971)	(593,048)
11.	Net investment gain (loss) (Lines 9 + 10).....		7,359,597	7,058,223
OTHER INCOME				
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....(6,370,631) amount charged off \$.....0).....		(6,370,631)	(7,359,862)
13.	Finance and service charges not included in premiums.....		26,074,452	28,561,015
14.	Aggregate write-ins for miscellaneous income.....		5,216,357	4,358,997
15.	Total other income (Lines 12 through 14).....		24,920,178	25,560,150
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....		10,711,083	30,414,041
17.	Dividends to policyholders.....			
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....		10,711,083	30,414,041
19.	Federal and foreign income taxes incurred.....		3,419,754	7,866,093
20.	Net income (Line 18 minus Line 19) (to Line 22).....		7,291,329	22,547,948
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....		108,605,878	136,705,251
22.	Net income (from Line 20).....		7,291,329	22,547,948
23.	Net transfers (to) from Protected Cell accounts.....			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....177,630.....		668,228	875,643
25.	Change in net unrealized foreign exchange capital gain (loss).....			
26.	Change in net deferred income tax.....		1,647,233	1,260,583
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....		2,297,428	1,039,356
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....			
29.	Change in surplus notes.....			
30.	Surplus (contributed to) withdrawn from Protected Cells.....			
31.	Cumulative effect of changes in accounting principles.....			
32.	Capital changes:			
32.1	Paid in.....			
32.2	Transferred from surplus (Stock Dividend).....			
32.3	Transferred to surplus.....			
33.	Surplus adjustments:			
33.1	Paid in.....			
33.2	Transferred to capital (Stock Dividend).....			
33.3.	Transferred from capital.....			
34.	Net remittances from or (to) Home Office.....			
35.	Dividends to stockholders.....			(53,822,902)
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).....		11,904,218	(28,099,373)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....		120,510,096	108,605,878
DETAILS OF WRITE-INS				
0501.	.....		
0502.	.....		
0503.	.....		
0598.	Summary of remaining write-ins for Line 5 from overflow page.....		0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....		0	0
1401.	Miscellaneous income.....		54,146	313,704
1402.	Lead Fee Income.....		1,279,961	5,731,663
1403.	Change in Cash Surrender Value of Life Insurance.....		3,882,250	(1,686,370)
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....		5,216,357	4,358,997
3701.	.....		
3702.	.....		
3703.	.....		
3798.	Summary of remaining write-ins for Line 37 from overflow page.....		0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....		0	0

Safe Auto Insurance Company
CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	351,961,125	385,854,853
2.	Net investment income.....	9,221,839	10,246,438
3.	Miscellaneous income.....	24,920,178	25,560,150
4.	Total (Lines 1 through 3).....	386,103,142	421,661,441
5.	Benefit and loss related payments.....	211,521,258	208,321,126
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	178,258,879	172,493,795
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....13,939 tax on capital gains (losses).....	3,405,815	7,708,272
10.	Total (Lines 5 through 9).....	393,185,952	388,523,193
11.	Net cash from operations (Line 4 minus Line 10).....	(7,082,810)	33,138,247
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....	61,914,119	85,821,986
12.2	Stocks.....		
12.3	Mortgage loans.....		
12.4	Real estate.....	1,590,804	
12.5	Other invested assets.....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments.....	444	695
12.7	Miscellaneous proceeds.....		3,359,655
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	63,505,367	89,182,336
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	52,461,329	78,555,159
13.2	Stocks.....		
13.3	Mortgage loans.....		
13.4	Real estate.....		
13.5	Other invested assets.....	687,538	249,858
13.6	Miscellaneous applications.....		1,109,450
13.7	Total investments acquired (Lines 13.1 to 13.6).....	53,148,867	79,914,467
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).....	10,356,500	9,267,870
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes.....		
16.2	Capital and paid in surplus, less treasury stock.....		
16.3	Borrowed funds.....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5	Dividends to stockholders.....		53,822,902
16.6	Other cash provided (applied).....	(1,284,941)	9,309,837
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,284,941)	(44,513,065)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,988,748	(2,106,948)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	11,270,365	13,377,313
19.2	End of year (Line 18 plus Line 19.1).....	13,259,114	11,270,365
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001			

Safe Auto 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.....	.....0	.....	.....0	.....0
2.	Allied lines.....	.....0	.....	.....0	.....0
3.	Farmowners multiple peril.....	.....0	.....	.....0	.....0
4.	Homeowners multiple peril.....	.....0	.....	.....0	.....0
5.	Commercial multiple peril.....	.....0	.....	.....0	.....0
6.	Mortgage guaranty.....	.....0	.....	.....0	.....0
8.	Ocean marine.....	.....0	.....	.....0	.....0
9.	Inland marine.....	.....0	.....	.....0	.....0
10.	Financial guaranty.....	.....0	.....	.....0	.....0
11.1	Medical professional liability - occurrence.....	.....0	.....	.....0	.....0
11.2	Medical professional liability - claims-made.....	.....0	.....	.....0	.....0
12.	Earthquake.....	.....0	.....	.....0	.....0
13.	Group accident and health.....	.....0	.....	.....0	.....0
14.	Credit accident and health (group and individual).....	.....0	.....	.....0	.....0
15.	Other accident and health.....	.....0	.....	.....0	.....0
16.	Workers' compensation.....	.....0	.....	.....0	.....0
17.1	Other liability - occurrence.....	.....0	.....	.....0	.....0
17.2	Other liability - claims-made.....	.....0	.....	.....0	.....0
17.3	Excess workers' compensation.....	.....0	.....	.....0	.....0
18.1	Products liability - occurrence.....	.....0	.....	.....0	.....0
18.2	Products liability - claims-made.....	.....0	.....	.....0	.....0
19.1, 19.2	Private passenger auto liability.....	.....248,820,309	.....69,155,028	.....59,180,423	.....258,794,915
19.3, 19.4	Commercial auto liability.....	.....0	.....	.....0	.....0
21.	Auto physical damage.....	.....92,817,486	.....24,875,947	.....21,919,366	.....95,774,067
22.	Aircraft (all perils).....	.....0	.....	.....0	.....0
23.	Fidelity.....	.....0	.....	.....0	.....0
24.	Surety.....	.....0	.....	.....0	.....0
26.	Burglary and theft.....	.....0	.....	.....0	.....0
27.	Boiler and machinery.....	.....0	.....	.....0	.....0
28.	Credit.....	.....0	.....	.....0	.....0
29.	International.....	.....0	.....	.....0	.....0
30.	Warranty.....	.....0	.....	.....0	.....0
31.	Reinsurance - nonproportional assumed property.....	.....0	.....	.....0	.....0
32.	Reinsurance - nonproportional assumed liability.....	.....0	.....	.....0	.....0
33.	Reinsurance - nonproportional assumed financial lines.....	.....0	.....	.....0	.....0
34.	Aggregate write-ins for other lines of business.....	.....0	.....0	.....0	.....0
35.	TOTALS.....	.....341,637,795	.....94,030,975	.....81,099,788	.....354,568,982

DETAILS OF WRITE-INS

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

Safe Auto Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	.....	.....	.....	.....	.....0
2.	Allied lines.....	.....	.....	.....	.....	.....0
3.	Farmowners multiple peril.....	.....	.....	.....	.....	.....0
4.	Homeowners multiple peril.....	.....	.....	.....	.....	.....0
5.	Commercial multiple peril.....	.....	.....	.....	.....	.....0
6.	Mortgage guaranty.....	.....	.....	.....	.....	.....0
8.	Ocean marine.....	.....	.....	.....	.....	.....0
9.	Inland marine.....	.....	.....	.....	.....	.....0
10.	Financial guaranty.....	.....	.....	.....	.....	.....0
11.1	Medical professional liability - occurrence.....	.....	.....	.....	.....	.....0
11.2	Medical professional liability - claims-made.....	.....	.....	.....	.....	.....0
12.	Earthquake.....	.....	.....	.....	.....	.....0
13.	Group accident and health.....	.....	.....	.....	.....	.....0
14.	Credit accident and health (group and individual).....	.....	.....	.....	.....	.....0
15.	Other accident and health.....	.....	.....	.....	.....	.....0
16.	Workers' compensation.....	.....	.....	.....	.....	.....0
17.1	Other liability - occurrence.....	.....	.....	.....	.....	.....0
17.2	Other liability - claims-made.....	.....	.....	.....	.....	.....0
17.3	Excess workers' compensation.....	.....	.....	.....	.....	.....0
18.1	Products liability - occurrence.....	.....	.....	.....	.....	.....0
18.2	Products liability - claims-made.....	.....	.....	.....	.....	.....0
19.1, 19.2	Private passenger auto liability.....	.....59,180,423	.....	.....	.....	.....59,180,423
19.3, 19.4	Commercial auto liability.....	.....	.....	.....	.....	.....0
21.	Auto physical damage.....	.....21,919,366	.....	.....	.....	.....21,919,366
22.	Aircraft (all perils).....	.....	.....	.....	.....	.....0
23.	Fidelity.....	.....	.....	.....	.....	.....0
24.	Surety.....	.....	.....	.....	.....	.....0
26.	Burglary and theft.....	.....	.....	.....	.....	.....0
27.	Boiler and machinery.....	.....	.....	.....	.....	.....0
28.	Credit.....	.....	.....	.....	.....	.....0
29.	International.....	.....	.....	.....	.....	.....0
30.	Warranty.....	.....	.....	.....	.....	.....0
31.	Reinsurance - nonproportional assumed property.....	.....	.....	.....	.....	.....0
32.	Reinsurance - nonproportional assumed liability.....	.....	.....	.....	.....	.....0
33.	Reinsurance - nonproportional assumed financial lines.....	.....	.....	.....	.....	.....0
34.	Aggregate write-ins for other lines of business.....	.....0	.....0	.....0	.....0	.....0
35.	TOTALS.....	.....81,099,788	.....0	.....0	.....0	.....81,099,788
36.	Accrued retrospective premiums based on experience.....					.....
37.	Earned but unbilled premiums.....					.....0
38.	Balance (sum of Lines 35 through 37).....					.....81,099,788

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
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	.....0	.....0	.....0	.....0

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

Safe Auto 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.....						.....0
2.	Allied lines.....						.....0
3.	Farmowners multiple peril.....						.....0
4.	Homeowners multiple peril.....						.....0
5.	Commercial multiple peril.....						.....0
6.	Mortgage guaranty.....						.....0
8.	Ocean marine.....						.....0
9.	Inland marine.....						.....0
10.	Financial guaranty.....						.....0
11.1	Medical professional liability - occurrence.....						.....0
11.2	Medical professional liability - claims-made.....						.....0
12.	Earthquake.....						.....0
13.	Group accident and health.....						.....0
14.	Credit accident and health (group and individual).....						.....0
15.	Other accident and health.....						.....0
16.	Workers' compensation.....						.....0
17.1	Other liability - occurrence.....						.....0
17.2	Other liability - claims-made.....						.....0
17.3	Excess workers' compensation.....						.....0
18.1	Products liability - occurrence.....						.....0
18.2	Products liability - claims-made.....						.....0
19.1, 19.2	Private passenger auto liability.....	.....248,820,309					.....248,820,309
19.3, 19.4	Commercial auto liability.....						.....0
21.	Auto physical damage.....	.....92,867,486				.....50,000	.....92,817,486
22.	Aircraft (all perils).....						.....0
23.	Fidelity.....						.....0
24.	Surety.....						.....0
26.	Burglary and theft.....						.....0
27.	Boiler and machinery.....						.....0
28.	Credit.....						.....0
29.	International.....						.....0
30.	Warranty.....						.....0
31.	Reinsurance - nonproportional assumed property.....	.....XXX					.....0
32.	Reinsurance - nonproportional assumed liability.....	.....XXX					.....0
33.	Reinsurance - nonproportional assumed financial lines.....	.....XXX					.....0
34.	Aggregate write-ins for other lines of business.....	.....0	.....0	.....0	.....0	.....0	.....0
35.	TOTALS.....	.....341,687,795	.....0	.....0	.....0	.....50,000	.....341,637,795

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.....				.0	.0		0	0.0
2.	Allied lines.....				.0	.0		0	0.0
3.	Farmowners multiple peril.....				.0	.0		0	0.0
4.	Homeowners multiple peril.....				.0	.0		0	0.0
5.	Commercial multiple peril.....				.0	.0		0	0.0
6.	Mortgage guaranty.....				.0	.0		0	0.0
8.	Ocean marine.....				.0	.0		0	0.0
9.	Inland marine.....				.0	.0		0	0.0
10.	Financial guaranty.....				.0	.0		0	0.0
11.1	Medical professional liability - occurrence.....				.0	.0		0	0.0
11.2	Medical professional liability - claims-made.....				.0	.0		0	0.0
12.	Earthquake.....				.0	.0		0	0.0
13.	Group accident and health.....				.0	.0		0	0.0
14.	Credit accident and health (group and individual).....				.0	.0		0	0.0
15.	Other accident and health.....				.0	.0		0	0.0
16.	Workers' compensation.....				.0	.0		0	0.0
17.1	Other liability - occurrence.....				.0	.0		0	0.0
17.2	Other liability - claims-made.....				.0	.0		0	0.0
17.3	Excess workers' compensation.....				.0	.0		0	0.0
18.1	Products liability - occurrence.....				.0	.0		0	0.0
18.2	Products liability - claims-made.....				.0	.0		0	0.0
19.1, 19.2	Private passenger auto liability.....	159,128,936	512	6,975,000	152,154,448	99,519,105	101,863,296	149,810,257	57.9
19.3, 19.4	Commercial auto liability.....				.0	.0		0	0.0
21.	Auto physical damage.....	59,231,631			59,231,631	5,129,397	7,551,821	56,809,207	59.3
22.	Aircraft (all perils).....				.0	.0		0	0.0
23.	Fidelity.....				.0	.0		0	0.0
24.	Surety.....				.0	.0		0	0.0
26.	Burglary and theft.....				.0	.0		0	0.0
27.	Boiler and machinery.....				.0	.0		0	0.0
28.	Credit.....				.0	.0		0	0.0
29.	International.....				.0	.0		0	0.0
30.	Warranty.....				.0	.0		0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			.0	.0		0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX			.0	.0		0	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			.0	.0		0	0.0
34.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0	0	0.0
35.	TOTALS.....	218,360,567	512	6,975,000	211,386,079	104,648,502	109,415,117	206,619,464	58.3
DETAILS OF WRITE-INS									
3401.	.....				.0	.0		0	0.0
3402.	.....				.0	.0		0	0.0
3403.	.....				.0	.0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	.0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire.....				0				0	
2.	Allied lines.....				0				0	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....				0				0	
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....				0				0	
9.	Inland marine.....				0				0	
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0				0	
11.2	Medical professional liability - claims-made.....				0				0	
12.	Earthquake.....				0				0	
13.	Group accident and health.....				0				(a) 0	
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....				0				(a) 0	
16.	Workers' compensation.....				0				0	
17.1	Other liability - occurrence.....				0				0	
17.2	Other liability - claims-made.....				0				0	
17.3	Excess workers' compensation.....				0				0	
18.1	Products liability - occurrence.....				0				0	
18.2	Products liability - claims-made.....				0				0	
19.1, 19.2	Private passenger auto liability.....	81,108,239			81,108,239	18,410,866			99,519,105	17,596,119
19.3, 19.4	Commercial auto liability.....				0				0	
21.	Auto physical damage.....	3,848,318			3,848,318	1,281,079			5,129,397	682,881
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....				0				0	
24.	Surety.....				0				0	
26.	Burglary and theft.....				0				0	
27.	Boiler and machinery.....				0				0	
28.	Credit.....				0				0	
29.	International.....				0				0	
30.	Warranty.....				0				0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	84,956,557	0	0	84,956,557	19,691,945	0	0	104,648,502	18,279,000
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.

Safe Auto Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	7,092,070			7,092,070
1.2 Reinsurance assumed.....	10,017			10,017
1.3 Reinsurance ceded.....				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	7,102,087	0	0	7,102,087
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		39,921,844		39,921,844
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....				0
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	39,921,844	0	39,921,844
3. Allowances to manager and agents.....				0
4. Advertising.....		13,683,367		13,683,367
5. Boards, bureaus and associations.....	254,988	177,926		432,914
6. Surveys and underwriting reports.....	50	4,729,713		4,729,763
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	15,530,686	28,635,854		44,166,540
8.2 Payroll taxes.....	1,189,953	2,181,143		3,371,096
9. Employee relations and welfare.....	2,498,021	5,994,034		8,492,055
10. Insurance.....	83,770	416,816		500,586
11. Directors' fees.....	10,728	138,597		149,325
12. Travel and travel items.....	298,767	359,569		658,336
13. Rent and rent items.....	43,958	1,677,044		1,721,002
14. Equipment.....	399,006	108,751		507,757
15. Cost or depreciation of EDP equipment and software.....	523,603	2,086,575		2,610,178
16. Printing and stationery.....	59,170	539,902		599,072
17. Postage, telephone and telegraph, exchange and express.....	593,533	3,113,047		3,706,580
18. Legal and auditing.....	836,696	1,330,006	348,435	2,515,137
19. Totals (Lines 3 to 18).....	22,322,929	65,172,344	348,435	87,843,708
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....7,482.....		7,906,943		7,906,943
20.2 Insurance department licenses and fees.....	93,566	540,915		634,481
20.3 Gross guaranty association assessments.....		23,060		23,060
20.4 All other (excluding federal and foreign income and real estate).....	4,550	298		4,848
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	98,116	8,471,216	0	8,569,332
21. Real estate expenses.....				0
22. Real estate taxes.....			643,055	643,055
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	5,559,467	20,870,205	0	26,429,672
25. Total expenses incurred.....	35,082,599	134,435,609	991,490	(a).....170,509,698
26. Less unpaid expenses - current year.....	18,279,000			18,279,000
27. Add unpaid expenses - prior year.....	20,073,282			20,073,282
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).....	36,876,881	134,435,609	991,490	172,303,980

DETAILS OF WRITE-INS				
2401. Purchase lead fees.....		6,162,838		6,162,838
2402. Hardware & software maintenane.....	742,189	2,171,655		2,913,844
2403. Software licenses.....	1,114,623	3,123,599		4,238,222
2498. Summary of remaining write-ins for Line 24 from overflow page.....	3,702,655	9,412,113	0	13,114,768
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	5,559,467	20,870,205	0	26,429,672

(a) Includes management fees of \$.....123,113,148 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds.....	(a).....204,738	.....203,578
1.1	Bonds exempt from U.S. tax.....	(a).....1,801,006	.....1,537,538
1.2	Other bonds (unaffiliated).....	(a).....5,093,788	.....5,147,797
1.3	Bonds of affiliates.....	(a).....	.....
2.1	Preferred stocks (unaffiliated).....	(b).....	.....
2.11	Preferred stocks of affiliates.....	(b).....	.....
2.2	Common stocks (unaffiliated).....	.....34,466	.....34,466
2.21	Common stocks of affiliates.....	.....	.....
3.	Mortgage loans.....	(c).....	.....
4.	Real estate.....	(d).....1,721,534	.....1,721,534
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments.....	(e).....98,495	.....98,495
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....405,438	.....405,438
9.	Aggregate write-ins for investment income.....	.....0	.....0
10.	Total gross investment income.....	.....9,359,466	.....9,148,846
11.	Investment expenses.....	.....	(g).....991,490
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).....745,789
15.	Aggregate write-ins for deductions from investment income.....	.....	.....0
16.	Total deductions (Lines 11 through 15).....	.....	.....1,737,278
17.	Net investment income (Line 10 minus Line 16).....	.....	.....7,411,568

DETAILS OF WRITE-INS

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

- (a) Includes \$.....133,836 accrual of discount less \$.....987,699 amortization of premium and less \$....228,258 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....1,721,534 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....1,346 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....745,789 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds.....	.....22,392	.....	.....22,392	.....	.....
1.1	Bonds exempt from U.S. tax.....	.....285,314	.....	.....285,314	.....	.....
1.2	Other bonds (unaffiliated).....	.....(74,748)	.....	.....(74,748)	.....3,086	.....
1.3	Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1	Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11	Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2	Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21	Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3.	Mortgage loans.....	.....	.....	.....0	.....	.....
4.	Real estate.....	.....(299,312)	.....	.....(299,312)	.....	.....
5.	Contract loans.....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments.....	.....444	.....	.....444	.....	.....
7.	Derivative instruments.....	.....	.....	.....0	.....	.....
8.	Other invested assets.....	.....	.....	.....0	.....842,772	.....
9.	Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses).....	.....(65,910)	.....0	.....(65,910)	.....845,858	.....0

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	2,204,658	3,418,632	1,213,974
21. Furniture and equipment, including health care delivery assets.....	314,060	607,814	293,754
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.....	247,748	1,037,447	789,699
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,766,466	5,063,894	2,297,428
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	2,766,466	5,063,894	2,297,428

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.....	247,748	979,506	731,758
2502. Postage meter receivable.....		57,941	57,941
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	247,748	1,037,447	789,699

Safe Auto Insurance Company

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

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

	SSAP #	F/S Page	F/S Line #	2019	2018
Net Income					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 7,291,329	\$ 22,547,946
(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	<u>\$ 7,291,329</u>	<u>\$ 22,547,946</u>
Surplus					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 120,510,096	\$ 108,605,878
(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	<u>\$ 120,510,096</u>	<u>\$ 108,605,878</u>

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

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

C. Accounting Policy

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

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

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

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

In addition, the company uses the following accounting policies:

- (1) Short-term investments are reported at amortized cost.
- (2) Bonds not backed by other loans that are designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost, using the interest method. All other bonds (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.
- (3) Unaffiliated common stocks are stated at fair value.
- (4) The company's preferred stock is stated at fair value.
- (5) Mortgage loans - None
- (6) Loan-backed securities are reported at either amortized cost using the interest method or, if non-investment grade, at the lower of amortized cost, fair value or at the present value of future cash flows. The retrospective adjustment method is used to value all securities, except for interest only securities, where the yield had become negative, that are valued using the prospective method.
- (7) Subsidiaries are stated at their underlying audited GAAP equity.
- (8) Other invested assets are stated at lower of cost or fair value, except for investments in limited partnerships (LPs) or limited liability companies (LLCs). Investments in LPs and LLCs are stated at the underlying audited GAAP equity of the investee, unless ownership is less than 3% or the investee invests in market priced funds. Investments in LPs and LLCs that invest in market priced funds are stated at the underlying audited GAAP equity of the investee. Otherwise, investments in LPs and LLCs, where ownership is less than 3% are stated at cost. Investments are non-admitted if no audit of the investee is completed.
- (9) The Company owned derivatives are stated at fair value.
- (10) The Company does utilize anticipated investment income as a factor in the premium deficiency calculation.

Notes to the Financial Statements

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

- (11) Unpaid losses and loss adjustment expenses ("LAE") include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company did not change its capitalization policy in 2019.
- (13) Pharmaceutical rebate receivables - None

D. Going Concern - Not Applicable

2. Accounting Changes and Corrections of Errors

The Company did not have any material changes in accounting principles and/or corrections of errors in 2019 or 2018.

3. Business Combinations and Goodwill - None

4. Discontinued Operations - None

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgages - None
- D. Loan-Backed Securities

- (1) Prepayment assumptions for Agency Mortgage-Backed Securities and Collateralized Mortgage Obligations were generated using a third-party prepayment model. The multi-factor model captures house price change trends, housing turnover, borrower default, and refinance incentive, among other factors. On an ongoing basis, we monitor the rate of prepayment and calibrate the model to reflect actual experience, market factors, and viewpoint.
- (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - None
- (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - None
- (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

	Amount
a. The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 62,497
2. 12 months or longer	\$ 269,230
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	\$ 11,116,463
2. 12 months or longer	\$ 23,761,724

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

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- H. Repurchase Agreements Transactions Accounted for as a Sale - None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate

The company recognized an impairment loss of its KY facility in Oct 2018. This facility was sold in October 2019.

- (1) Real estate located in Pulaski County, KY was sold in October 2019. In 2018, the Company recognized an impairment loss of \$1,097,947, based on an appraisal of the land and building. The 2018 impairment was recognized on the balance sheet - Real estate, Properties occupied by the company. The loss was recognized on the income statement as part of net realized capital gains (losses).
- (2) Real estate located in Pulaski County, KY, including land and a building, was sold in October 2019. A loss of \$299,312 was recorded on the sale of the facility and is reported on the income statement as part of net realized capital gains (losses).
- (3) Changes to a plan of sale for an investment in real estate - None
- (4) Retail land sales operations - None
- (5) Participating mortgage loan features - None

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

- (1) Restricted assets (including pledged)

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

Notes to the Financial Statements

5. Investments (Continued)

Gross (Admitted & Nonadmitted) Restricted											
Current Year											
Current Year											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
a. Subject to contractual obligation for which liability is not shown	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	—	\$.....	\$.....%%
b. Collateral held under security lending agreements						—	—				
c. Subject to repurchase agreements						—	—				
d. Subject to reverse repurchase agreements						—	—				
e. Subject to dollar repurchase agreements						—	—				
f. Subject to dollar reverse repurchase agreements						—	—				
g. Placed under option contracts						—	—				
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock						—	—				
i. FHLB capital stock	689,500				689,500	689,500	—		689,500	0.190	0.191
j. On deposit with states	2,660,781				2,660,781	2,661,314	(533)		2,660,781	0.732	0.737
k. On deposit with other regulatory bodies						—	—				
l. Pledged as collateral to FHLB (including assets backing funding agreements)						—	—				
m. Pledged as collateral not captured in other categories	179,942				179,942	926,243	(746,301)		179,942	0.049	0.050
n. Other restricted assets											
o. Total restricted assets	\$ 3,530,223	\$.....	\$.....	\$.....	\$ 3,530,223	\$ 4,277,057	\$ (746,834)	\$.....	\$ 3,530,223	0.971%	0.978%

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

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

Gross (Admitted & Nonadmitted) Restricted											
Current Year											
Percentage											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %	
Description of Assets											
Assets pledged as collateral	\$..... 179,942	\$.....	\$.....	\$.....	\$..... 179,942	\$..... 926,243	\$..... (746,301)	\$..... 179,942	.....0.049%	.....0.050%	
Total	\$ 179,942	\$.....	\$.....	\$.....	\$ 179,942	\$ 926,243	\$ (746,301)	\$ 179,942	0.049%	0.050%	

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

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

M. Working Capital Finance Investments - None

N. Offsetting and Netting of Assets and Liabilities - None

O. 5GI Securities - None

P. Short Sales - None

Q. Prepayment Penalty and Acceleration Fees

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

Notes to the Financial Statements

6. Joint Ventures, Partnerships and Limited Liability Companies

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

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

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies - None

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

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

B. Total Amount Excluded - None

8. Derivative Instruments - None

9. Income Taxes

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

(1) Change between years by tax character

	2019			2018			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets	\$ 8,337,037	\$ 212,885	\$ 8,549,922	\$ 10,945,157	\$ 212,890	\$ 11,158,047	\$ (2,608,120)	\$ (5)	\$ (2,608,125)
(b) Statutory valuation allowance adjustments				-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	8,337,037	212,885	8,549,922	10,945,157	212,890	11,158,047	(2,608,120)	(5)	(2,608,125)
(d) Deferred tax assets nonadmitted				-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	\$ 8,337,037	\$ 212,885	\$ 8,549,922	\$ 10,945,157	\$ 212,890	\$ 11,158,047	\$ (2,608,120)	\$ (5)	\$ (2,608,125)
(f) Deferred tax liabilities	1,780,772	709,747	2,490,519	3,955,249	2,612,997	6,568,246	(2,174,477)	(1,903,250)	(4,077,727)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 6,556,265	\$ (496,862)	\$ 6,059,403	\$ 6,989,908	\$ (2,400,107)	\$ 4,589,801	\$ (433,643)	\$ 1,903,245	\$ 1,469,602

(2) Admission calculation components SSAP No. 101

	2019			2018			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 5,917,796	\$ 95,799	\$ 6,013,595	\$ 6,701,896	\$ 95,799	\$ 6,797,695	\$ (784,100)	-	\$ (784,100)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)	560,742	-	560,742	328,438	-	328,438	232,304	-	232,304
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	560,742	-	560,742	328,438	-	328,438	232,304	-	232,304
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	17,167,604	XXX	XXX	15,402,273	XXX	XXX	1,765,331
(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	1,858,499	117,087	1,975,586	3,914,823	117,091	4,031,914	(2,056,324)	(4)	(2,056,328)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.									
Total (2(a) + 2(b) + 2(c))	\$ 8,337,037	\$ 212,886	\$ 8,549,923	\$ 10,945,157	\$ 212,890	\$ 11,158,047	\$ (2,608,120)	\$ (4)	\$ (2,608,124)

(3) Ratio used as basis of admissibility

	2019	2018
(a) Ratio percentage used to determine recovery period and threshold limitation amount	311.000%	306.000%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 114,450,690	\$ 104,016,075

Notes to the Financial Statements

9. Income Taxes (Continued)

(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)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 8,337,037	\$ 212,885	\$ 10,945,157	\$ 212,890	\$ (2,608,120)	\$ (5)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	19.200%	2.500%	6.600%	1.900%	12.600%	0.600%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 8,337,037	\$ 212,885	\$ 10,945,157	\$ 212,890	\$ (2,608,120)	\$ (5)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	19.200%	2.500%	16.200%	4.600%	3.000%	-2.100%

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

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

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

C. Major Components of Current Income Taxes Incurred

Current income taxes incurred consist of the following major components:	(1)	(2)	(3)
	2019	2018	Change (1-2)
1. Current Income Tax			
(a) Federal	\$ 3,326,285	\$ 8,208,436	\$ (4,882,151)
(b) Foreign			
(c) Subtotal	\$ 3,326,285	\$ 8,208,436	\$ (4,882,151)
(d) Federal income tax on net capital gains	(13,939)	(157,821)	143,882
(e) Utilization of capital loss carry-forwards			
(f) Other	93,469	(342,343)	435,812
(g) Federal and foreign income taxes incurred	\$ 3,405,815	\$ 7,708,272	\$ (4,302,457)

Current income taxes incurred consist of the following major components:	(1)	(2)	(3)
	2019	2018	Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,161,096	\$ 1,284,338	\$ (123,242)
(2) Unearned premium reserve	3,406,191	3,950,579	(544,388)
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets	—	1,650,422	(1,650,422)
(8) Compensation and benefits accrual	2,409,540	2,114,035	295,505
(9) Pension accrual			
(10) Receivables - nonadmitted	580,958	1,063,418	(482,460)
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other (including items less than 5% of total ordinary tax assets)*	779,252	882,365	(103,113)
(99) Subtotal	\$ 8,337,037	\$ 10,945,157	\$ (2,608,120)
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 8,337,037	\$ 10,945,157	\$ (2,608,120)
(e) Capital			
(1) Investments	\$ 212,885	\$ 212,890	\$ (5)
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other (including items <5% of total capital tax assets)			
(99) Subtotal	\$ 212,885	\$ 212,890	\$ (5)
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	212,885	212,890	(5)
(i) Admitted deferred tax assets (2d + 2h)	\$ 8,549,922	\$ 11,158,047	\$ (2,608,125)

Notes to the Financial Statements

9. Income Taxes (Continued)

	(1)	(2)	(3)
	2019	2018	Change (1-2)
Current income taxes incurred consist of the following major components:			
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 35,927	\$ 13,447	\$ 22,480
(2) Fixed assets	1,074,792		1,074,792
(3) Deferred and uncollected premium			
(4) Policyholder reserves	54,410	46,932	7,478
(5) Other (including items <5% of total ordinary tax liabilities) [†]	615,643	3,894,870	(3,279,227)
(99) Subtotal	\$ 1,780,772	\$ 3,955,249	\$ (2,174,477)
(b) Capital			
(1) Investments	\$	\$	\$
(2) Real estate			
(3) Other (including items <5% of total capital tax liabilities) [‡]	709,747	2,612,997	(1,903,250)
(99) Subtotal	\$ 709,747	\$ 2,612,997	\$ (1,903,250)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 2,490,519	\$ 6,568,246	\$ (4,077,727)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 6,059,403	\$ 4,589,801	\$ 1,469,602
	(1)	(2)	(3)
	2019	2018	Change (1-2)
* Items >5% of total ordinary tax assets included in Other			
Allowance for bad debt	430,500	510,738	(80,238)
Other	348,752	371,627	(22,875)
† Items >5% of total ordinary tax liabilities included in Other			
Other (Capitalized software)	—	2,948,293	(2,948,293)
Other (separately disclose items >5%)	88,872	297,061	(208,189)
Loss reserves - 1/1/18 Tax Reform reset	526,771	649,516	(122,745)
‡ Items >5% of total capital tax liabilities included in Other			
Other (separately disclose items > 5%)	1	2,080,881	(2,080,880)
Unrealized capital gains	709,746	532,116	177,630

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

	December 31, 2019	December 31, 2018	Change
Current income tax expense	\$3,405,815	\$7,708,271	
Total deferred tax assets	8,549,922	11,158,047	(2,608,125)
Total deferred tax liabilities	2,490,518	6,568,246	(4,077,728)
Net deferred tax assets/(liabilities)	6,059,404	4,589,801	1,469,603
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/(liabilites) after SVA	6,059,404	4,589,801	1,469,603
Tax effect of unrealized gains/(losses)	709,746	532,116	177,630
Deferred tax assets/(liabilities, excluding taxes on unrealized	\$6,769,150	\$5,121,917	1,647,233
Prior period deferred tax true-up adjustment			-
Change in net deferred income tax [(charge)/benefit]			\$1,647,233

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

The TCJA provided for a change in the methodology employed to calculated reserves for tax purposes. Beginning January 1, 2018, a higher interest rate assumption and longer payout patterns are used to discount these reserves. In addition, companies are no longer able to elect to use their own experience to discount reserves, but instead are required to use the industry-based tables published by the IRS annually. During 2018, the IRS published the discount factor tables and the Company calculated the tax impact of the methodology change and recorded an additional deferred tax asset and offsetting deferred tax liability of \$742,304 at December 31, 2018. The deferred tax liability was amortized into income in the amount of \$87,795 and \$92,788 during 2019 and 2018, respectively per the 8-year inclusion described in the TCJA.

D. Among the More Significant Book to Tax Adjustments

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

Notes to the Financial Statements

9. Income Taxes (Continued)

	2019	Effective Tax Rate
Provision computed at statutory rate	\$ 2,246,400	20.973%
Tax-exempt interest	(322,762)	-3.013
Dividends received deduction		
Proration	80,690	0.753
Non deductible expenses	(746,188)	-6.967
Statutory valuation allowance adjustment		
Deferred taxes on non-admitted assets	482,460	4.504
Other, Including Prior Year True-Up	17,981	0.168
Revaluation of DTA for tax reform	—	—
Total	<u>\$ 1,758,581</u>	<u>16.418%</u>

	2019	Effective Tax Rate
Federal income taxes incurred [expense/(benefit)]	\$ 3,419,754	31.927%
Tax on capital gains/(losses)	(13,939)	-0.130
Change in net deferred income tax [charge/(benefit)]	(1,647,234)	-15.379
Total statutory income taxes	<u>\$ 1,758,581</u>	<u>16.418%</u>

	2018	Effective Tax Rate
Provision computed at statutory rate	\$ 6,353,808	20.822%
Tax-exempt interest	(553,649)	-1.814
Dividends received deduction	(4,254)	-0.014
Proration	139,475	0.457
Non deductible expenses	450,758	1.477
Statutory valuation allowance adjustment	—	—
Deferred taxes on non-admitted assets	218,265	0.715
Other, Including Prior Year True-Up	(156,713)	-0.514
Revaluation of DTA for tax reform	—	—
Total	<u>\$ 6,447,690</u>	<u>21.130%</u>

	2018	Effective Tax Rate
Federal income taxes incurred [expense/(benefit)]	\$ 7,866,095	25.778%
Tax on capital gains/(losses)	(157,821)	-0.517
Change in net deferred income tax [charge/(benefit)]	(1,260,584)	-4.131
Total statutory income taxes	<u>\$ 6,447,690</u>	<u>21.130%</u>

E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2019 the Company had no net operating loss carryforwards, capital loss carryforwards, or AMT credit carryforwards. The following is income tax expense for 2017, 2018 and 2019 that is available for recoupment in the event of future net losses.
- (2) Income tax expense available for recoupment

	Ordinary	Capital	Total
2017	\$	\$ 376,779	\$ 376,779
2018	7,801,498	342,588	8,144,086
2019	1,168,205	2,144,141	3,312,346

- (3) Deposits admitted under IRC Section 6603 - None

F. Consolidated Federal Income Tax Return

- (1) The Company's federal income tax return is consolidated with the following entities: Safe Auto Insurance Group, Inc., Safe Auto Group Agency, Inc., Safe Auto Capital, LLC, SafeAuto Realty, LLC, AutoTex MGA, Inc., SafeAuto Services, LLC, Safe Auto Choice Insurance Company and Safe Auto Value Insurance Company.
- (2) The Company has a tax sharing agreement with its parent whereby federal income tax expense is determined as if the Company filed a separate federal income tax return and payments for this liability are made to the parent and included with balances reports as Payable to parent, subsidiaries and affiliates.

G. Federal or Foreign Income Tax Loss Contingencies - None

H. Repatriation Transition Tax (RTT) - None

I. Alternative Minimum Tax (AMT) Credit - None

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

A. Nature of Relationships

Safe Auto Insurance Company
Notes to the Financial Statements

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

- 1. The Company is a wholly owned subsidiary of Safe Auto Insurance Group, Inc. (Parent), a privately held company incorporated in Ohio.
- 2. As of December 31, 2019 the Company has contributed \$6,411,583 to SafeAuto Capital, LLC, which invests in private equity funds. The Company owns 100% of SafeAuto Capital, LLC.

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

- 1. The Company participates in a cash sweep program with Safe Auto Group Agency. Within terms of the program the companies may commingle cash balances in a bank account owned by the Company.
- 2. Safe Auto Group Agency negotiates, manages, and purchases certain advertising for Safe Auto Insurance Company and sells and services certain insurance policies on behalf of Safe Auto Insurance Company. Safe Auto Insurance Company reimburses Safe Auto Group Agency 100% of all costs incurred to provide such services (see Note 10-F).
- 3. Safe Auto Services provides certain administrative, information technology and other services to Safe Auto Insurance Company. Safe Auto Insurance Company reimburses Safe Auto Services 100% of all costs incurred to provide such services (see Note 10-F).
- 4. The Company paid dividends to the Parent of \$0 and \$53,822,902 during 2019 and 2018, respectively.
- 5. No other transactions exceeding the 1/2% limit occurred in 2019 or 2018.

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

D. Amounts Due to or From Related Parties

- 1. The Company had receivables from Safe Auto Group Agency of \$0 and \$5,377,728 as of December 31, 2019 and 2018, respectively. The Company also had payables to Safe Auto Group Agency of \$2,405,130 and \$8,623,765 as of December 31, 2019 and 2018, respectively.
- 2. The Company had receivables from SAGI Realty Ltd. (SAGI) of \$3,602 and \$4,264 as of December 31, 2019 and 2018, respectively.
- 3. The Company had receivables from Parent of \$812,424 and \$909,646 as of December 31, 2019 and 2018, respectively. The Company also had payables to Parent of \$7,659,642 and \$5,100,675 as of December 31, 2019 and 2018, respectively.
- 4. The Company had payables due to SafeAuto Capital of \$126,474 and \$1,483,852 as of December 31, 2019 and 2018, respectively.
- 5. The Company had receivables from Safe Auto Realty of \$10,525 and \$16,255 as of December 31, 2019 and 2018, respectively.
- 6. The Company had receivables from AutoTex MGA, Inc. of \$0 and \$70,574 as of December 31, 2019 and 2018, respectively. The Company also had payables to AutoTex, MGA, Inc. of \$1,839 and \$0 as of December 31, 2019 and 2018, respectively.
- 7. The Company had receivables from SafeAuto Services, LLC. of \$5,223,611 and \$559,509 as of December 31, 2019 and 2018, respectively. The Company also had payables to SafeAuto Services, LLC. of \$4,675,526 and \$0 as of December 31, 2019 and 2018, respectively.
- 8. The Company had receivables from Safe Auto Choice Insurance Company of \$1,678 and \$0 as of December 31, 2019 and 2018, respectively. The Company had payables due to Safe Auto Choice Insurance Company of \$350,000 and \$0 as of December 31, 2019 and 2018, respectively.
- 9. The Company had receivables from Safe Auto Value Insurance Company of \$1,679 and \$0 as of December 31, 2019 and 2018, respectively. The Company had payables due to Safe Auto Value Insurance Company of \$350,000 and \$0 as of December 31, 2019 and 2018, respectively.

E. Guarantees or Contingencies - None

F. Management, Service Contracts, Cost Sharing Arrangements

- 1. In 2019, the Company, the parent and affiliates entered into an amended Management and Operations Agreement that provided for services between the Company, its parent and subsidiaries. This agreement, collectively, amended and restated the 2003 Cost Sharing Agreements, the 2006 Cash Account Sharing Agreement and the 2018 Affiliated Services Agreements. This agreement was approved by the Ohio Department of Insurance in February 2019. Pursuant to this agreement, the Company, parent and affiliates will each receive services from Safe Auto Insurance Company, Safe Auto Services, Safe Auto Group Agency and Safe Auto Group, including, without limitation, executive, managerial, accounting, Administrative Services, professional, investment management and function support services that are necessary or appropriate for the operation of their respective businesses. Under this agreement, Safe Auto Group Agency provides agency services for Safe Auto Insurance Company by employing insurance agents, customer service and related management personnel while also exclusively providing all advertising and marketing efforts. Under this agreement Safe Auto Services provides certain administrative, information technology and other services to the Company.
- 2. The Parent and affiliates paid the Company \$98,277,768 for these services in 2019. The Company paid the parent and affiliates \$141,071,406 for services in 2019.
- 3. In 2018 under previous agreements, the Company paid Safe Auto Group Agency \$49,995,360 and affiliates paid the Company \$274,204.
- 4. All such management, service contracts, and cost sharing agreements mentioned are transacted at cost and provide no profit provision to the service provider.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Parent.

H. Amount Deducted for Investment in Upstream Company - None

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

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

K. Foreign Subsidiary Value Using CARVM - None

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

M. All SCA Investments - None

Notes to the Financial Statements

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

- N. Investment in Insurance SCAs - None
- O. SCA and SSAP No. 48 Entity Loss Tracking - None

11. Debt

- A. Debt, Including Capital Notes - None
- B. FHLB (Federal Home Loan Bank) Agreements

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

(2) FHLB capital stock

(a) Aggregate totals

	(1) Total (2+3)	(2) General Account	(3) Protected Cell Accounts
1. Current Year			
(a) Membership stock - Class A	\$	\$	\$
(b) Membership stock - Class B	600,612	600,612	
(c) Activity stock			
(d) Excess stock	88,888	88,888	
(e) Aggregate total (a+b+c+d)	\$ 689,500	\$ 689,500	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 10,000,000		
2. Prior Year-End			
(a) Member stock - Class A	\$ –	\$ –	\$ –
(b) Membership stock - Class B	550,947	550,947	–
(c) Activity stock	–	–	–
(d) Excess stock	138,553	138,553	–
(e) Aggregate total (a+b+c+d)	\$ 689,500	\$ 689,500	\$ –
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 10,000,000		
(b) Membership stock (class A and B) eligible and not eligible for redemption			

	(1)	(2)	Eligible for Redemption			
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	(3) Less Than 6 Months	(4) 6 Months to Less Than 1 Year	(5) 1 to Less Than 3 Years	(6) 3 to 5 Years
Membership Stock						
1. Class A	\$	\$	\$	\$	\$	\$
2. Class B	\$ 600,612	\$ 600,612	\$	\$	\$	\$

(3) Collateral pledged to FHLB - None

(4) Borrowing from FHLB - None

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

- A. Defined Benefit Plan - None
- B. Investment Policies and Strategies of Plan Assets - None
- C. Fair Value of Each Class of Plan Assets - None
- D. Expected Long-Term Rate of Return for the Plan Assets - None
- E. Defined Contribution Plans

The Company sponsors a defined contribution 401(k) Employee Savings and Profit Sharing Plan which allows eligible employees to contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations, to an individual 401(k) retirement savings account. The Company makes matching contributions equal to 50% of the employee contributions, up to 8% of total employee compensation, and may make periodic discretionary contributions. The Company’s contributions to this Plan were \$962,747 and \$849,875 for the years ended December 31, 2019 and 2018, respectively.

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

- F. Multiemployer Plans - None
- G. Consolidated/Holding Company Plans - None
- H. Postemployment Benefits and Compensated Absences - None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

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

- 1. Outstanding Shares

Safe Auto Insurance Company
Notes to the Financial Statements

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

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

- 2. Dividend Rate of Preferred Stock - None
- 3. Under the insurance regulations of Ohio, the maximum amount of ordinary dividends that the Company may pay to shareholders in a 12 month period is limited to the greater of 10% of the most recent year-end policyholders’ surplus or the net income for that same year-end. Accordingly, the maximum amount of ordinary dividends that the Company may pay in 2020 is \$12,051,010. Dividends above this amount would be deemed extraordinary and may not be paid unless:
 - 1. not disapproved by the Commissioner of Insurance of Ohio within 30 days of receiving notice of the declaration thereof or
 - 2. approved within that 30 day period.

4. Dividend Payments

There were no dividends declared or paid in 2019. In 2018 a total dividends of \$53,822,902 were declared and paid.

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

On November 26, 2018 the board approved an ordinary dividend of \$13,822,902 to be paid on or after December 10, 2018. The Company paid the dividend in installment payments between December 11, 2018 and December 14, 2018.

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

5. Ordinary Dividends

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

6. Restrictions on Surplus

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

- 7. Surplus Advances - None
- 8. Stock Held for Special Purposes - None
- 9. Changes in Special Surplus Funds - None
- 10. Unassigned funds (surplus)

The portion of unassigned funds (surplus) represented by an increase in cumulative unrealized gains is \$2,669,998

- 11. Company-Issued Surplus Debentures or Similar Obligations - None
- 12. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None
- 13. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments - None
- B. Assessments
 - (1) The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessment or in the case of premium based assessments, at the time the premiums were written, or in the case of loss based assessments, at the time the losses are incurred.
 - (2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges - None
 - (3) Guaranty fund liabilities and assets related to long-term care insolvencies - None
- C. Gain Contingencies - None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Company is named, from time to time and in the ordinary course of business, as a defendant in legal actions arising principally from claims made under its insurance contracts, including those seeking extra-contractual damages beyond policy limits. In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Such legal actions are considered by the Company in estimating the loss and LAE reserves. At December 31, 2019, there is a \$260,000 reserve established with respect to such exposures.

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

During 2019 and 2018, the Company paid \$9,130,785 and \$4,135,000, respectively, to settle extracontractual and bad faith claims. The aggregate net loss retention related to these payments after the Company's errors and omissions coverage was \$2,155,758 and \$1,233.397 for 2019 and 2018, respectively. These payments encompass reimbursements relating to less than 25 extra-contractual or bad faith lawsuits.

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

Safe Auto Insurance Company

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

Claims-related ECO and bad faith losses paid during the reporting period..... \$ 9,130,785

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

Method used to disclose claim count information:

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

- E. Product Warranties - None
- F. Joint and Several Liabilities - None
- G. All Other Contingencies

The Company is also, from time to time and in the ordinary course of business, faced with class action lawsuits, regulatory proceedings, and individual lawsuits that are not directly related to its insurance contracts. Such matters presently include a pending California Market Conduct Exam, a pending Missouri rate remediation action (processed in January 2020), a pending Virginia Market Conduct Exam, an individual business-related lawsuit for alleged marketing issues, and two similar putative class action lawsuits both alleging the Company improperly charged premium to certain insureds.

In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Likewise, the Company does not establish reserves for those matters where the loss is not probable and/or it currently is unable to estimate the Company's potential exposure. If either or both of the existing class action suits result in a judgment against, or settlement by, the Company in an amount significantly in excess of the reserve established for that matter, if any, the resulting liability could have a material effect on the Company's financial condition, cash flows, and results of operations. The Company continues to vigorously defend its position in the aforementioned matters and assess its legal positions. At December 31, 2019, there are no reserves recorded for these matters, however the pending Missouri rate remediation has been recorded as a reduction in premium and a payable at its expected impact of \$459,785. The Missouri rate remediation was processed in early 2020 with refund payments issued or credits against amounts owed to the Company recorded.

15. Leases

- A. Lessee Operating Lease
- (1) Leasing arrangements
- (a) The Company leased equipment and a facility under multiple non-cancelable operating lease agreements that expired July 2019. These agreements were not renewed by the Company but were renewed with Safe Auto Services, an affiliated company. Rental expense for 2019 and 2018 was \$412,947 and \$334,043, respectively.
- (2) For leases having initial or remaining noncancelable lease terms in excess of one year - None
- (3) For sale-leaseback transactions - None
- B. Lessor Leases - None

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

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

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

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

The Company uses a general agent (GA) to write and administer private passenger automobile insurance products in the State of California. The general agent writes direct premiums less than 5% of policyholder surplus. The terms of the GA contract give the GA authority for premium collection. The Company sets pricing and underwriting guideline authority for all policies issued under this agreement. In the third quarter of 2015 the contract was terminated for new business. A new contract was entered into with the same company in June 2019 for the writing of new business.

The Parent owns AutoTex MGA, Inc. a managing general agent (MGA). The Company did not write any new business through AutoTex in 2019 or 2018 and has not had any polices in force since September 2017.

Name and Address of Managing General Agent or Third Party Administration	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written / Produced By
Bridger Insurance Services (formerly SCJ Insurance Services) 7180 Koll Center Parkway #100, Pleasanton, CA 94566	94-2297460	YES	Private Passenger Automobile	P	\$ 3,214,768
Total					\$ 3,214,768

20. Fair Value Measurements

- A. Fair Value Measurement

Inputs Used for Assets and Liabilities Measured at Fair Value

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

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

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

(1) Fair value measurements at reporting date

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

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at fair value					
Common Stock-Industrial and Misc	\$	\$ 689,500	\$	\$	\$ 689,500
Money Market Mutual Funds	2,072,692				2,072,692
Total assets at fair value/NAV	<u>\$ 2,072,692</u>	<u>\$ 689,500</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,762,192</u>
b. Liabilities at fair value					
Total liabilities at fair value	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

Roll forward of Level 3 items

Description	Ending balance as of 12/31/2018	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2019
a. Assets										
Other ABS	\$ 534,636	\$	\$	\$	\$ 70,937	\$	\$	\$	\$	\$ 605,573
Total assets	<u>\$ 534,636</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 70,937</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 605,573</u>
b. Liabilities										
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

- (3) At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.
- (4) Fair value measurements for fixed income and equity securities are based on values either published by the NAIC's Security Valuation Office (SVO) or from an independent pricing service vendor. Under certain circumstances, if neither an SVO price nor a Vendor price is available, a price may be obtained from a broker. Short term securities and cash equivalents are valued at amortized cost.

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

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

(5) Derivatives - None

B. Other Fair Value Disclosures - None

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

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$... 217,665,072	\$... 209,638,958	\$ 3,747,292	\$... 213,312,207	\$ 605,573	\$	\$
Common Stocks	689,500	689,500		689,500			
Cash, Cash equivalents and short-term investments	13,259,108	13,259,108	13,259,108				

D. Not Practicable to Estimate Fair Value - None

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

21. Other Items

- A. Unusual or Infrequent Items - None
- B. Troubled Debt Restructuring - None

Notes to the Financial Statements

21. Other Items (Continued)

- C. Other Disclosures - None
- D. Business Interruption Insurance Recoveries - None
- E. State Transferable and Non-Transferable Tax Credits - None
- F. Subprime-Mortgage-Related Risk Exposure

(1) Subprime Mortgage Exposures

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

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

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

(3) Direct exposure through other investments

The Company has invested in residential mortgage-backed securities and collateralized debt obligations. While the fair value of these fixed income investments may fluctuate, the Company reviewed its MBS and CDO portfolio as of December 31, 2019.

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

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 30,970	\$ 30,540	\$ 31,165	\$ -
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs *				
f. Other assets				
g. Total	\$ 30,970	\$ 30,540	\$ 31,165	\$ -

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

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

The company has company owned life insurance (COLI) policies for several key employees, which are reported as admitted assets at their fair value (cash surrender value). As of December 31, 2019, the recorded value was \$20,846,344.

(1) Amount of admitted balance that could be realized from an investment vehicle	\$ 20,846,344
(2) Percentage bonds	%
(3) Percentage stocks	%
(4) Percentage mortgage loans	%
(5) Percentage real estate	%
(6) Percentage cash and short-term investments	%
(7) Percentage derivatives	%
(8) Percentage other invested assets	100.000%

22. Events Subsequent

There were no material subsequent events that occurred after December 31, 2019 and before the release of the financial statements.

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

Safe Auto Insurance Company
Notes to the Financial Statements

22. Events Subsequent (Continued)

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act?	NO	
B. ACA fee assessment payable for the upcoming year	\$	\$
C. ACA fee assessment paid	\$	\$
D. Premium written subject to ACA 9010 assessment	\$	\$
E. Total adjusted capital before surplus adjustment	\$	
F. Total adjusted capital after surplus adjustment	\$	
G. Authorized control level	\$	
H. Would reporting the ACA assessment as of Dec 31 have triggered an RBC action level?		

23. Reinsurance

- A. Unsecured Reinsurance Recoverables - None
- B. Reinsurance Recoverable in Dispute - None
- C. Reinsurance Assumed and Ceded

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

The Company is a party in a prospective personal automobile physical damage catastrophe agreement of reinsurance with General Reinsurance Corporation. This reinsurance agreement covers a portion of aggregated losses arising from catastrophic events that exceed a specified retention stated in the agreement. Ceded premiums are calculated primarily based on a percentage of comprehensive premiums earned. Ceded premiums were \$50,000 for the year ended December 31, 2019.

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

The Company previously assumed business written by AutoTex MGA's independent agents on two non-affiliated insurance carriers. The business assumed through this agreement has run off. For the year 2019 total assumed premium and the related commissions payable were \$0.

(3) Risks attributed to each of the company's protected cells - None
- D. Uncollectible Reinsurance - None
- E. Commutation of Ceded Reinsurance - None
- F. Retroactive Reinsurance - None
- G. Reinsurance Accounted for as a Deposit - None
- H. Disclosures for the Transfer of Property and Casualty Run-Off Agreements - None
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Method Used to Estimate - None
- B. Method Used to Record - None
- C. Amount and Percent of Net Retrospective Premiums - None
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - None
- E. Calculation of Nonadmitted Retrospective Premium - None
- F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

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

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

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

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - None

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

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

25. Changes in Incurred Losses and Loss Adjustment Expenses

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

1. Current year changes in estimates of costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development. Decreases in those estimates decrease current year expense and are referred to as favorable development. Current year losses and LAE of \$241,702,065 were higher by \$944,678 because of unfavorable development of prior year estimates. This unfavorable development was approximately 0.7% of the prior years' reserves for unpaid losses and LAE.

Safe Auto Insurance Company

Notes to the Financial Statements

25. Changes in Incurred Losses and Loss Adjustment Expenses (Continued)

The increase in prior years’ estimates is a result of ongoing analysis of recent loss and expense trends. The Company increased its estimate of ultimate losses for prior accident years by \$2,479,345 and decreased its estimate of ultimate LAE for prior accident years by \$1,534,667. This unfavorable development is primarily a result of higher than expected severity for liability claims. Favorable LAE development in the period is due to lower than expected defense costs for liability claims as well as lower costs to adjust and close claims.

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

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

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

28. Health Care Receivables - None

29. Participating Policies - None

30. Premium Deficiency Reserves

The Company has evaluated for the existence of any premium deficiencies as of December 31, 2019, and it was determined that there were none. Anticipated investment income was taken into account in the calculation.

1. Liability carried for premium deficiency reserves:	\$—
2. Date of the most recent evaluation of this liability:	12/31/2019
3. Was anticipated investment income utilized in the calculation?	YES

31. High Deductibles - None

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

33. Asbestos/Environmental Reserves - None

34. Subscriber Savings Accounts - None

35. Multiple Peril Crop Insurance - None

36. Financial Guaranty Insurance - None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X]No []

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?

OHIQ

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.

12/31/2013

3.3

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

09/18/2014

3.4

By what department or departments?
Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

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

3.6

Have all of the recommendations within the latest financial examination report been complied with?

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

4.1

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

4.11

sales of new business?

Yes []No [X]

4.12

renewals?

Yes []No [X]

4.2

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

4.21

sales of new business?

Yes [X]No []

4.22

renewals?

Yes [X]No []

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If the answer is YES, complete and file the merger history data file with the NAIC.

Yes []No [X]

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	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes []No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes []No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

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

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

9.

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

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes []No [X]

10.2

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

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes []No [X]

10.4

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

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?
Klayton N. Southwood, FCAS, MAAA, Director, Willis Towers Watson, 321 Susan Drive, Suite D, Normal, IL 61761

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] 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.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

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

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

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

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [X] No []

14.21

If the response to 14.2 is yes, provide information related to amendment(s).
The Code of Conduct was updated to broaden and clarify certain provisions. This amendment was adopted by the Board in July 2019.

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

14.31

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

15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [] No [X]

15.2

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

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

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 []

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]

20.1

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

20.11

To directors or other officers

\$ 0

20.12

To stockholders not officers

\$ 0

20.13

Trustees, supreme or grand (Fraternal only)

\$ 0

20.2

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

20.21

To directors or other officers

\$ 0

20.22

To stockholders not officers

0

20.23

Trustees, supreme or grand (Fraternal only)

0

21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes [] No [X]

21.2

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

21.21

Rented from others

\$ 0

21.22

Borrowed from others

\$ 0

21.23

Leased from others

\$ 0

21.24

Other

\$ 0

22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$ 0

22.22

Amount paid as expenses

\$ 0

22.23

Other amounts paid

\$ 0

23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2

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

\$812,424

INVESTMENT

24.01

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

Yes [X]No []

24.02

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

24.03

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

24.04

Does the company’s security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

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

24.05

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

\$0

24.06

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

\$0

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

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

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

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

24.09.

Does the reporting entity or the reporting entity’s securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

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

24.10

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

24.101

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

\$0

24.102

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

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes [X]No []

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$689,500

25.28

On deposit with states

\$2,660,782

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$179,942

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes []No [X]

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

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

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 results of interest rate sensitivity?

Yes []No []

26.4

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

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
USBank	425 Walnut Street, 6th Floor, Cincinnati, OH 45202
FHLB of Cincinnati	221 E. 4th Street, Ste 1000, Cincinnati, OH 45202

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

PNC Wealth Management	1900 E. 9th Street, Cleveland, OH 44114
First National Bankers Bank (FNBB)	1200 West Third Street, Little Rock, AR 72201-1904
Wells Fargo Banking Co	1021 E. Cary Street, MAC R3529-062, Richmond, VA 23219

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] 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
New England Asset Management	U
Greg Sutton, CFO, has access to the investment accounts and has the authority to make investment decisions on behalf of the reporting entity.	A
Ron Davies, President and CEO, has access to the investment accounts and has the authority to make investment decisions on behalf of the reporting entity.	A

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

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

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 209,638,958	\$ 217,665,071	\$ 8,026,113
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 209,638,958	\$ 217,665,071	\$ 8,026,113

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

Fair values are based on end of period prices provided by independent pricing services (vendor price) such as: Refinitiv. ICE Data Services. Bloomberg. IHS Markit. IHS Markit iBoxx, or Pricing Direct. Under certain circumstances, if a vendor price is unavailable, a price may be obtained from a broker. Short term securities are valued at amortized cost. Cash equivalents, excluding money market mutual funds, are valued at amortized cost. Government money market mutual funds are valued using a stable Net Asset Value (NAV). Non-Government (Prime) money market mutual funds are valued using a floating Net Asset Value (NAV).

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

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
Not applicable

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:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?

Yes [] No [X]

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

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes [] No [X]

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:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. 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.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. 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.
- f. 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?

\$ 432,914

- 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 Name	2 Amount Paid
	\$

- 37.1 Amount of payments for legal expenses, if any?

\$ 928,915

- 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 Name	2 Amount Paid
The Nash Group	\$ 368,790

- 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 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> 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	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$	0	\$	0
2.2	Premium Denominator	\$	354,568,982	\$	385,295,598
2.3	Premium Ratio (2.1/2.2)		0.0%		0.0%
2.4	Reserve Numerator	\$	0	\$	0
2.5	Reserve Denominator	\$	204,027,293	\$	223,527,290
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> 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 [<input type="checkbox"/>]	No [<input type="checkbox"/>]
4.2	Does the reporting entity issue non-assessable policies?			Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]
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 [<input type="checkbox"/>]	No [<input type="checkbox"/>]
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation			Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
5.22	As a direct expense of the exchange			Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?			Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]
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? <u>Not applicable</u>				
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: <u>Not applicable</u>				
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? <u>The company writes private passenger auto insurance in 17 states and protects itself through a catastrophe reinsurance program. The Reinsurer shall pay to the Company for each Loss Event, 100% of the Ultimate Net Loss in excess of \$1,750,000, but not to exceed \$1,250,000. The Reinsurer shall not exceed \$2,500,000 paid with respect to all Loss Events during the term of the reinsurance agreement.</u>				
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 [<input checked="" type="checkbox"/> X]	No [<input type="checkbox"/>]
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:				

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	<div><div>0</div></div>	
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 [<input type="checkbox"/>]	No [<input type="checkbox"/>]
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
8.2	If yes, give full information		
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management’s principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.		
9.4	Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles (“SAP”) and as a deposit under generally accepted accounting principles (“GAAP”); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.		
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or (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.	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [<input checked="" type="checkbox"/> X]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
11.2	If yes, give full information		
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$	0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers’ compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/> X]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From 12.42 To	<div><div>%</div></div> <div><div>%</div></div>	
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 [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit 12.62 Collateral and other funds	\$	0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$	315,000
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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.

0

14.1

Is the reporting entity a cedant in a multiple cedant reinsurance contract?

Yes [] No [X]

14.2

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

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No [X]

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No [X]

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

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

1

2

3

4

5

Direct Losses Incurred

Direct Losses Unpaid

Direct Written Premium

Direct Premium Unearned

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 chartered, registered, qualified, eligible, or writing business in at least 2 states?

Yes [X] No []

19.1

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

Yes [] No []

FIVE-YEAR HISTORICAL DATA

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

	1 2019	2 2018	3 2017	4 2016	5 2015
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	248,820,309	282,288,860	257,330,354	221,687,463	222,817,235
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	92,867,486	105,054,492	101,915,110	90,508,694	93,099,400
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	341,687,795	387,343,352	359,245,464	312,196,157	315,916,635
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	248,820,309	282,288,860	257,330,354	221,687,463	222,817,235
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	92,817,486	104,999,617	101,866,743	90,454,069	93,020,442
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	341,637,795	387,288,477	359,197,097	312,141,532	315,837,677
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(21,568,692)	(2,204,332)	(8,084,686)	(17,819,347)	(22,989,292)
14. Net investment gain (loss) (Line 11).....	7,359,597	7,058,223	16,283,883	8,233,878	5,730,047
15. Total other income (Line 15).....	24,920,178	25,560,150	30,658,532	28,005,681	29,261,425
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	3,419,754	7,866,093	5,034,826	5,444,618	3,649,683
18. Net income (Line 20).....	7,291,329	22,547,948	33,822,902	12,975,593	8,352,497
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	360,841,102	375,382,266	382,378,764	396,709,548	387,622,743
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	15,774,913	18,162,168	18,390,607	16,262,845	15,155,446
20.2 Deferred and not yet due (Line 15.2).....	46,863,101	54,829,602	53,184,827	46,280,493	43,070,712
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	240,331,006	266,776,388	245,673,513	231,971,020	230,737,458
22. Losses (Page 3, Line 1).....	104,648,505	109,415,119	99,860,889	102,275,408	106,252,479
23. Loss adjustment expenses (Page 3, Line 3).....	18,279,000	20,073,282	22,191,924	22,450,384	25,103,193
24. Unearned premiums (Page 3, Line 9).....	81,099,788	94,030,975	92,038,096	79,491,680	74,831,551
25. Capital paid up (Page 3, Lines 30 & 31).....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	120,510,096	108,605,878	136,705,251	164,738,529	156,885,285
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(7,082,810)	33,138,247	33,394,157	8,952,742	10,631,765
Risk-Based Capital Analysis					
28. Total adjusted capital.....	120,510,096	108,605,878	136,705,251	164,738,529	156,885,285
29. Authorized control level risk-based capital.....	36,841,548	33,972,952	28,337,822	25,217,706	25,899,126
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	79.7	80.7	79.6	66.2	68.4
31. Stocks (Lines 2.1 & 2.2).....	0.3	0.3	0.2	15.8	15.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	8.6	9.3	9.5	9.3	9.7
34. Cash, cash equivalents and short-term investments (Line 5).....	5.0	4.1	4.7	4.7	4.3
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	6.4	5.6	4.8	4.0	2.4
38. Receivables for securities (Line 9).....			1.2	0.0	
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	6,411,583	5,724,045			
48. Total of above lines 42 to 47.....	6,411,583	5,724,045	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	5.3	5.3			

Safe Auto Insurance Company
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2019	2018	2017	2016	2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	668,228	875,643	(6,406,340)	4,214,337	(694,152)
52. Dividends to stockholders (Line 35).....		(53,822,902)	(50,573,853)	(10,900,000)	(10,250,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	11,904,218	(28,099,373)	(28,033,283)	7,853,252	5,121,023
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	159,129,448	152,274,021	148,903,039	143,741,737	137,527,461
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	59,231,631	58,698,508	53,242,889	54,112,698	62,324,351
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	218,361,079	210,972,529	202,145,928	197,854,435	199,851,812
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	152,154,448	149,372,418	148,903,039	143,741,737	137,552,461
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	59,231,631	58,698,508	53,242,889	54,112,698	62,324,351
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	211,386,079	208,070,926	202,145,928	197,854,435	199,876,812
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	58.3	56.5	57.6	63.1	64.5
68. Loss expenses incurred (Line 3).....	9.9	8.9	10.1	10.4	10.0
69. Other underwriting expenses incurred (Line 4).....	37.9	35.1	34.6	32.4	32.8
70. Net underwriting gain (loss) (Line 8).....	(6.1)	(0.6)	(2.3)	(5.8)	(7.3)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	32.1	28.4	24.9	22.9	23.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	68.2	65.4	67.7	73.4	74.5
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).....	283.5	356.6	262.8	189.5	201.3
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	1,551	1,171	5,155	4,011	67
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).....	1.4	0.9	3.1	2.6	0.0
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	6,817	6,833	3,403	(2,778)	(18,027)
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).....	5.0	4.1	2.2	(1.8)	(13.9)

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*?
If no, please explain:

Yes[] No[]

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	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....22.....	.....	.....5.....	.....	.....8.....	.....	.....44.....	.....35.....	.....XXX.....
2. 2010.....	.....336,385.....	.....110.....	.....336,275.....	.....182,450.....	.....	.....7,076.....	.....	.....31,305.....	.....	.....8,570.....	.....220,831.....	.....XXX.....
3. 2011.....	.....303,109.....	.....107.....	.....303,002.....	.....173,605.....	.....	.....5,815.....	.....	.....30,589.....	.....	.....7,991.....	.....210,009.....	.....XXX.....
4. 2012.....	.....283,965.....	.....178.....	.....283,787.....	.....183,712.....	.....1,439.....	.....5,575.....	.....	.....29,776.....	.....	.....8,927.....	.....217,623.....	.....XXX.....
5. 2013.....	.....286,088.....	.....76.....	.....286,012.....	.....179,667.....	.....	.....5,086.....	.....	.....25,197.....	.....	.....9,404.....	.....209,950.....	.....XXX.....
6. 2014.....	.....305,514.....	.....90.....	.....305,424.....	.....203,126.....	.....7,775.....	.....4,579.....	.....	.....28,596.....	.....127.....	.....10,067.....	.....228,400.....	.....XXX.....
7. 2015.....	.....316,375.....	.....79.....	.....316,296.....	.....209,939.....	.....	.....4,361.....	.....	.....28,375.....	.....	.....9,835.....	.....242,676.....	.....XXX.....
8. 2016.....	.....307,537.....	.....55.....	.....307,482.....	.....193,568.....	.....864.....	.....4,034.....	.....	.....28,818.....	.....	.....10,286.....	.....225,555.....	.....XXX.....
9. 2017.....	.....346,698.....	.....48.....	.....346,650.....	.....191,122.....	.....	.....3,249.....	.....	.....29,135.....	.....	.....12,629.....	.....223,506.....	.....XXX.....
10. 2018.....	.....385,350.....	.....55.....	.....385,296.....	.....191,607.....	.....	.....1,673.....	.....	.....30,710.....	.....	.....14,699.....	.....223,991.....	.....XXX.....
11. 2019.....	.....354,619.....	.....50.....	.....354,569.....	.....130,079.....	.....	.....312.....	.....	.....25,972.....	.....	.....7,556.....	.....156,363.....	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....1,838,896.....	.....10,078.....	.....41,767.....	.....0.....	.....288,481.....	.....127.....	.....100,007.....	.....2,158,939.....	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding- Direct and Assumed
	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.....	.....46.....	.....	.....	.....	.....	.....	.....	.....	.....1.....	.....	.....	.....47.....	.....XXX.....
2. 2010.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....0.....	.....XXX.....
3. 2011.....	.....48.....	.....	.....17.....	.....	.....	.....	.....4.....	.....	.....4.....	.....	.....2.....	.....73.....	.....XXX.....
4. 2012.....	.....165.....	.....	.....3.....	.....	.....	.....	.....10.....	.....	.....5.....	.....	.....5.....	.....183.....	.....XXX.....
5. 2013.....	.....205.....	.....	.....10.....	.....	.....	.....	.....23.....	.....	.....16.....	.....	.....25.....	.....254.....	.....XXX.....
6. 2014.....	.....168.....	.....	.....12.....	.....	.....	.....	.....472.....	.....	.....14.....	.....	.....40.....	.....666.....	.....XXX.....
7. 2015.....	.....682.....	.....	.....54.....	.....	.....	.....	.....327.....	.....	.....54.....	.....	.....89.....	.....1,117.....	.....XXX.....
8. 2016.....	.....2,082.....	.....	.....144.....	.....	.....	.....	.....449.....	.....	.....146.....	.....	.....118.....	.....2,821.....	.....XXX.....
9. 2017.....	.....5,358.....	.....	.....786.....	.....	.....	.....	.....1,415.....	.....	.....442.....	.....	.....341.....	.....8,001.....	.....XXX.....
10. 2018.....	.....17,418.....	.....	.....3,301.....	.....	.....	.....	.....3,028.....	.....	.....1,534.....	.....	.....1,220.....	.....25,281.....	.....XXX.....
11. 2019.....	.....58,784.....	.....	.....15,363.....	.....	.....	.....	.....4,451.....	.....	.....5,884.....	.....	.....5,998.....	.....84,482.....	.....XXX.....
12. Totals...	.....84,956.....	.....0.....	.....19,690.....	.....0.....	.....0.....	.....0.....	.....10,179.....	.....0.....	.....8,100.....	.....0.....	.....7,838.....	.....122,925.....	.....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	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	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....46.....	.....1.....
2. 2010.	.....220,831.....	.....0.....	.....220,831.....	.....65.6.....	.....0.0.....	.....65.7.....	.....	.....	.....	.....0.....	.....0.....
3. 2011.	.....210,082.....	.....0.....	.....210,082.....	.....69.3.....	.....0.0.....	.....69.3.....	.....	.....	.....	.....65.....	.....8.....
4. 2012.	.....219,245.....	.....1,439.....	.....217,806.....	.....77.2.....	.....808.4.....	.....76.7.....	.....	.....	.....	.....168.....	.....15.....
5. 2013.	.....210,204.....	.....0.....	.....210,204.....	.....73.5.....	.....0.0.....	.....73.5.....	.....	.....	.....	.....215.....	.....39.....
6. 2014.	.....236,968.....	.....7,902.....	.....229,066.....	.....77.6.....	.....8,780.0.....	.....75.0.....	.....	.....	.....	.....180.....	.....486.....
7. 2015.	.....243,793.....	.....0.....	.....243,793.....	.....77.1.....	.....0.0.....	.....77.1.....	.....	.....	.....	.....736.....	.....381.....
8. 2016.	.....229,240.....	.....864.....	.....228,376.....	.....74.5.....	.....1,571.7.....	.....74.3.....	.....	.....	.....	.....2,226.....	.....595.....
9. 2017.	.....231,507.....	.....0.....	.....231,507.....	.....66.8.....	.....0.0.....	.....66.8.....	.....	.....	.....	.....6,144.....	.....1,857.....
10. 2018.	.....249,272.....	.....0.....	.....249,272.....	.....64.7.....	.....0.0.....	.....64.7.....	.....	.....	.....	.....20,719.....	.....4,562.....
11. 2019.	.....240,845.....	.....0.....	.....240,845.....	.....67.9.....	.....0.0.....	.....67.9.....	.....	.....	.....	.....74,147.....	.....10,335.....
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....XXX.....	.....104,646.....	.....18,279.....

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	2	3	4	5	6	7	8	9	10	11	12
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	One Year	Two Year
1. Prior.....	.....50,566	.....44,446	.....42,143	.....41,005	.....40,226	.....39,687	.....39,432	.....40,432	.....39,564	.....39,525	.....(39)	.....(907)
2. 2010.....	.....200,411	.....193,311	.....192,624	.....191,191	.....190,691	.....190,065	.....189,711	.....189,598	.....189,573	.....189,526	.....(47)	.....(72)
3. 2011.....	.....XXX.....	.....180,230	.....184,439	.....182,247	.....182,000	.....180,518	.....179,598	.....179,482	.....179,485	.....179,490	.....5	.....8
4. 2012.....	.....XXX.....	.....XXX.....	.....199,689	.....193,680	.....190,980	.....189,353	.....188,180	.....188,427	.....187,964	.....188,026	.....62	.....(401)
5. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....195,230	.....187,859	.....185,703	.....185,426	.....185,186	.....185,063	.....184,991	.....(72)	.....(195)
6. 2014.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....191,816	.....198,313	.....198,447	.....196,995	.....197,842	.....200,582	.....2,741	.....3,587
7. 2015.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....207,355	.....214,211	.....214,277	.....214,892	.....215,364	.....471	.....1,087
8. 2016.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....192,362	.....198,125	.....199,819	.....199,412	.....(407)	.....1,287
9. 2017.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....199,507	.....198,999	.....201,931	.....2,931	.....2,424
10. 2018.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....221,122	.....217,027	.....(4,095)	.....XXX.....
11. 2019.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....208,989	.....XXX.....	.....XXX.....
12. Totals.....											.....1,551	.....6,817

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior.....	.....000.....	.....24,890	.....34,638	.....37,584	.....38,578	.....38,930	.....39,123	.....39,299	.....39,452	.....39,479	.....XXX.....	.....XXX.....
2. 2010.....	.....111,856	.....164,224	.....182,000	.....187,063	.....188,526	.....189,075	.....189,341	.....189,523	.....189,530	.....189,526	.....XXX.....	.....XXX.....
3. 2011.....	.....XXX.....	.....106,911	.....157,100	.....171,843	.....177,529	.....178,798	.....179,159	.....179,269	.....179,396	.....179,421	.....XXX.....	.....XXX.....
4. 2012.....	.....XXX.....	.....XXX.....	.....114,895	.....165,078	.....179,746	.....185,204	.....186,932	.....187,539	.....187,734	.....187,848	.....XXX.....	.....XXX.....
5. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....109,773	.....162,054	.....176,706	.....182,133	.....183,935	.....184,515	.....184,753	.....XXX.....	.....XXX.....
6. 2014.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....119,693	.....175,478	.....189,684	.....195,761	.....197,331	.....199,930	.....XXX.....	.....XXX.....
7. 2015.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....126,872	.....189,868	.....207,008	.....212,740	.....214,301	.....XXX.....	.....XXX.....
8. 2016.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....117,402	.....176,430	.....192,161	.....196,737	.....XXX.....	.....XXX.....
9. 2017.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....122,314	.....178,007	.....194,372	.....XXX.....	.....XXX.....
10. 2018.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....133,069	.....193,280	.....XXX.....	.....XXX.....
11. 2019.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....130,391	.....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	2	3	4	5	6	7	8	9	10
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Prior.....	.....16,385	.....8,683	.....3,168	.....1,619	.....648	.....115	.....10	.....7		
2. 2010.....	.....21,439	.....10,266	.....4,374	.....1,702	.....817	.....261	.....31	.....17	.....9	
3. 2011.....	.....XXX.....	.....19,934	.....11,473	.....4,436	.....1,961	.....832	.....32	.....11	.....13	.....21
4. 2012.....	.....XXX.....	.....XXX.....	.....26,012	.....10,472	.....4,097	.....1,516	.....276	.....460	.....38	.....13
5. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....27,125	.....6,930	.....2,546	.....875	.....272	.....69	.....33
6. 2014.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....17,565	.....5,835	.....2,388	.....204	.....193	.....484
7. 2015.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....19,378	.....6,183	.....2,357	.....579	.....381
8. 2016.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....21,387	.....7,638	.....3,074	.....593
9. 2017.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....18,009	.....5,305	.....2,201
10. 2018.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....21,156	.....6,329
11. 2019.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....19,814

Safe Auto Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		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	6	7	8	9
			2 Direct Premiums Written	3 Direct Premiums Earned		Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Pur- chasing Groups (Incl. in Col. 2)
States, Etc.										
1.	Alabama.....AL	L								
2.	Alaska.....AK	N								
3.	Arizona.....AZ	L	10,749,979	11,125,375		7,133,054	6,726,026	3,431,785	882,631	
4.	Arkansas.....AR	L								
5.	California.....CA	L	3,605,311	3,835,040		3,090,223	2,338,555	1,232,735	1,211,860	
6.	Colorado.....CO	L								
7.	Connecticut.....CT	N								
8.	Delaware.....DE	N								
9.	District of Columbia.....DC	N								
10.	Florida.....FL	N								
11.	Georgia.....GA	L	24,364,464	26,407,368		16,116,015	14,459,382	8,718,612	1,153,649	
12.	Hawaii.....HI	N								
13.	Idaho.....ID	N								
14.	Illinois.....IL	L	12,416,366	13,260,486		8,993,115	8,382,527	4,757,872	957,493	
15.	Indiana.....IN	L	38,059,411	38,079,114		22,099,396	24,303,686	11,898,627	4,202,102	
16.	Iowa.....IA	N								
17.	Kansas.....KS	L	3,626,056	3,663,622		2,149,010	1,704,903	515,957	194,087	
18.	Kentucky.....KY	L	38,510,503	40,794,760		26,584,115	23,254,045	12,441,294	2,557,787	
19.	Louisiana.....LA	L	6,811,404	7,460,992		5,374,593	4,966,633	2,447,262	189,754	
20.	Maine.....ME	N								
21.	Maryland.....MD	N								
22.	Massachusetts.....MA	N								
23.	Michigan.....MI	N								
24.	Minnesota.....MN	N								
25.	Mississippi.....MS	L	3,220,067	3,555,025		2,759,939	2,585,811	951,768	233,785	
26.	Missouri.....MO	L	8,015,015	8,663,677		15,832,026	15,785,644	3,223,782	568,270	
27.	Montana.....MT	N								
28.	Nebraska.....NE	N								
29.	Nevada.....NV	L				49,397	(175,838)	86,595		
30.	New Hampshire.....NH	N								
31.	New Jersey.....NJ	N								
32.	New Mexico.....NM	N								
33.	New York.....NY	N								
34.	North Carolina.....NC	N								
35.	North Dakota.....ND	N								
36.	Ohio.....OH	L	73,846,368	75,624,298		43,435,102	43,921,206	20,377,888	6,187,359	
37.	Oklahoma.....OK	L	9,367,111	9,589,496		5,970,718	6,147,395	2,865,880	745,565	
38.	Oregon.....OR	N								
39.	Pennsylvania.....PA	L	57,327,114	59,471,854		29,665,410	30,887,921	17,957,481	5,022,123	
40.	Rhode Island.....RI	N								
41.	South Carolina.....SC	L	15,439,585	15,702,626		8,243,976	8,695,047	4,296,616	761,004	
42.	South Dakota.....SD	N								
43.	Tennessee.....TN	L	10,410,985	10,623,345		5,819,690	5,240,416	2,271,789	745,610	
44.	Texas.....TX	L	19,344,959	20,186,061		11,852,929	11,380,278	5,214,418	777,444	
45.	Utah.....UT	N								
46.	Vermont.....VT	N								
47.	Virginia.....VA	L	6,573,101	6,575,848		3,191,859	3,424,572	1,958,141	503,561	
48.	Washington.....WA	N								
49.	West Virginia.....WV	N								
50.	Wisconsin.....WI	N								
51.	Wyoming.....WY	N								
52.	American Samoa.....AS	N								
53.	Guam.....GU	N								
54.	Puerto Rico.....PR	N								
55.	US Virgin Islands.....VI	N								
56.	Northern Mariana Islands.....MP	N								
57.	Canada.....CAN	N								
58.	Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59.	Totals.....	XXX	341,687,797	354,618,987	0	218,360,567	214,028,209	104,648,502	26,894,084	0

DETAILS OF WRITE-INS

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

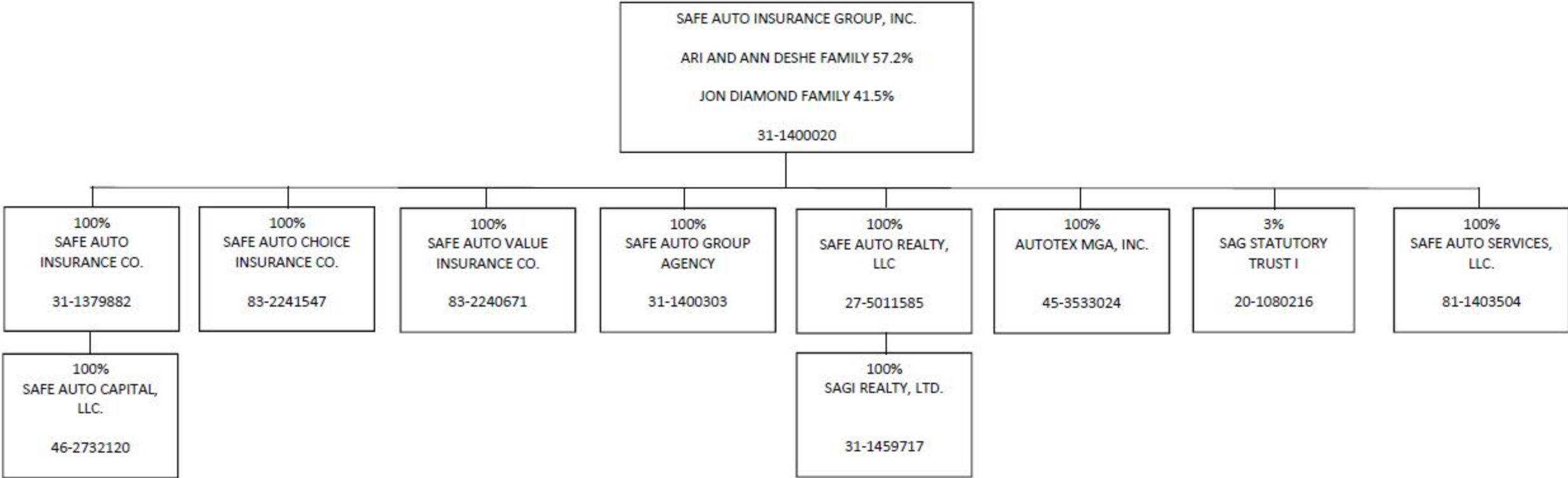
(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	21	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....	0	N - None of the above - Not allowed to write business in the state.....	36

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

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

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



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