



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
For the Year Ended December 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

SONNENBERG MUTUAL INSURANCE COMPANY

NAIC Group Code	00207	00207	NAIC Company Code	10271	Employer's ID Number	34-0541185
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile				United States		
Incorporated/Organized	01/01/1905			Commenced Business		01/01/1859
Statutory Home Office	2865 Benden Drive			Wooster, OH, US 44691		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	2865 Benden Drive			Wooster, OH, US 44691		330-262-9060
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Mail Address	2865 Benden Drive			Wooster, OH, US 44691		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	2865 Benden Drive			Wooster, OH, US 44691		330-262-9060
	(Street and Number)			(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)
Internet Web Site Address				www.wrg-ins.com		
Statutory Statement Contact	Christopher M. Racz, CPA			330-262-9060-2446		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	Christopher_Racz@wrg-ins.com			800-563-9896		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
KEVIN W. DAY	PRESIDENT AND SECRETARY - CHIEF EXECUTIVE OFFICER	MICHAEL A. SHUTT	VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER

OTHER OFFICERS

GREGORY A. BRUNN	VICE PRESIDENT INSURANCE OPERATIONS-COO	WILLIAM J. GALONSKI	VICE PRESIDENT-CHIEF CLAIMS OFFICER
LEO S. GENDERS	VICE PRESIDENT-CHIEF INFORMATION OFFICER		

DIRECTORS OR TRUSTEES

KEVIN W. DAY	JEFFREY P. HASTINGS	RONALD E. HOLTMAN	JOHN P. MURPHY
C. MICHAEL REARDON	EDDIE L. STEINER	FLOYD A. TROUTEN III	KENNETH L. VAGNINI

State ofOhio.....
County ofWayne.....

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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.

KEVIN W. DAY PRESIDENT AND SECRETARY -CHIEF EXECUTIVE OFFICER	MICHAEL A. SHUTT VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER	a. Is this an original filing? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [X] No []
Subscribed and sworn to before me this 17th day of February, 2021			

Michele Young, Notary Public
August 16, 2024

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).....	16,305,367	0	16,305,367	16,150,525
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	9,372,611	5,546	9,367,066	8,209,757
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$ encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ encumbrances)	0	0	0	0
5. Cash (\$ (9,903,126) , Schedule E-Part 1), cash equivalents (\$ 978,070 , Schedule E-Part 2) and short-term investments (\$ 0 , Schedule DA).....	(8,925,057)	0	(8,925,057)	(9,260,218)
6. Contract loans (including \$ premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	828,758
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	16,752,922	5,546	16,747,376	15,928,822
13. Title plants less \$ charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued	125,716	0	125,716	138,707
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,529,502	20,957	9,508,545	9,480,035
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....	4,361,499	0	4,361,499	4,392,676
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	31,997	0	31,997	2,901
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	89,360	0	89,360	52,725
18.2 Net deferred tax asset.....	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$) and other amounts receivable.....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	30,890,996	26,503	30,864,493	29,995,866
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	30,890,996	26,503	30,864,493	29,995,866
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	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.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	3,914,427	4,196,153
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	821,644	747,819
4. Commissions payable, contingent commissions and other similar charges	411,766	340,325
5. Other expenses (excluding taxes, licenses and fees)	458,208	432,580
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	132,292	132,769
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	331,915	271,014
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$7,109 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	5,321,264	5,251,778
10. Advance premium	54,332	83,160
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	57,507	55,422
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	0	0
14. Amounts withheld or retained by company for account of others	151,748	132,992
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 3, Column 78)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	11,655,104	11,644,012
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	11,655,104	11,644,012
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	19,209,389	18,351,854
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	19,209,389	18,351,854
38. Totals (Page 2, Line 28, Col. 3)	30,864,493	29,995,866
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.		0
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)	0	0
2901.		0
2902.		0
2903.		0
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.	0	0
3202.	0	0
3203.	0	0
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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE SONNENBERG MUTUAL INSURANCE COMPANY		
STATEMENT OF INCOME		
	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	11,108,984	10,957,479
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	5,767,674	6,584,006
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,254,795	1,002,750
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,936,467	3,624,398
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	10,958,935	11,211,153
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	150,049	(253,674)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	528,295	600,870
10. Net realized capital gains (losses) less capital gains tax of \$ 29,411 (Exhibit of Capital Gains (Losses))	110,642	(4,072)
11. Net investment gain (loss) (Lines 9 + 10)	638,937	596,798
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 12,979)	(12,979)	(10,654)
13. Finance and service charges not included in premiums	147,078	154,258
14. Aggregate write-ins for miscellaneous income	(1,534)	178
15. Total other income (Lines 12 through 14)	132,565	143,783
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	921,551	486,907
17. Dividends to policyholders	0	0
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)	921,551	486,907
19. Federal and foreign income taxes incurred	93,953	48,528
20. Net income (Line 18 minus Line 19) (to Line 22)	827,598	438,379
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	18,351,854	16,757,122
22. Net income (from Line 20)	827,598	438,379
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 17,277	64,994	1,145,621
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	(43,625)	14,137
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	8,568	(3,404)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1 Paid in	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0
32.3 Transferred to surplus	0	0
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)	0	0
33.3 Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
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)	857,535	1,594,732
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	19,209,389	18,351,854
DETAILS OF WRITE-INS		
0501.	0	0
0502.		0
0503.		0
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. Other Income/ (Expense)	(1,534)	178
1402.	0	0
1403.		
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)	(1,534)	178
3701.	0	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	11,163,356	9,840,299
2. Net investment income	650,612	727,874
3. Miscellaneous income	132,565	143,783
4. Total (Lines 1 through 3)	11,946,533	10,711,956
5. Benefit and loss related payments	6,078,496	6,191,785
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	5,020,844	4,686,032
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	159,999	380,532
10. Total (Lines 5 through 9)	11,259,339	11,258,350
11. Net cash from operations (Line 4 minus Line 10)	687,194	(546,394)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,671,928	2,252,779
12.2 Stocks	2,369,245	243,426
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	587,228	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	304,532
12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,628,401	2,800,736
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,922,685	2,312,150
13.2 Stocks	3,076,504	547
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	4,999,189	2,312,697
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(370,788)	488,039
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	18,754	29,899
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	18,754	29,899
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)	335,160	(28,455)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(9,260,217)	(9,231,762)
19.2 End of year (Line 18 plus Line 19.1)	(8,925,057)	(9,260,217)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	154,549	82,599	81,514	155,634
2.	Allied lines	72,218	45,279	44,313	73,184
3.	Farmowners multiple peril	1,074,181	539,797	560,785	1,053,193
4.	Homeowners multiple peril	2,449,526	1,408,381	1,372,378	2,485,529
5.	Commercial multiple peril	1,646,921	757,606	835,148	1,569,379
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	171,130	76,517	87,578	160,069
10.	Financial guaranty	0	0	0	0
11.1	Medical professional liability-occurrence	0	0	0	0
11.2	Medical professional liability-claims-made	0	0	0	0
12.	Earthquake	0	0	0	0
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	60,033	36,141	38,538	57,636
17.1	Other liability-occurrence	78,302	42,997	42,885	78,414
17.2	Other liability-claims-made	2,586	1,142	1,561	2,167
17.3	Excess workers' compensation.....	0	0	0	0
18.1	Products liability-occurrence	6,662	4,044	3,613	7,093
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	2,418,371	1,001,681	942,161	2,477,891
19.3,19.4	Commercial auto liability	757,557	309,266	370,175	696,648
21.	Auto physical damage	2,262,685	936,884	928,993	2,270,576
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	5,401	2,355	2,663	5,093
27.	Boiler and machinery	18,348	7,089	8,959	16,478
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance-nonproportional assumed property	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	11,178,470	5,251,778	5,321,264	11,108,984
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	81,514	0	0	0	81,514
2.	Allied lines	44,313				44,313
3.	Farmowners multiple peril	560,785				560,785
4.	Homeowners multiple peril	1,372,378				1,372,378
5.	Commercial multiple peril	835,148				835,148
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	87,578				87,578
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	38,538				38,538
17.1	Other liability-occurrence	42,885				42,885
17.2	Other liability-claims-made	1,561				1,561
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence	3,613				3,613
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability	942,161				942,161
19.3,19.4	Commercial auto liability	370,175				370,175
21.	Auto physical damage	928,993				928,993
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft	2,663				2,663
27.	Boiler and machinery	8,959				8,959
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	5,321,264	0	0	0	5,321,264
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					5,321,264
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	17,548	154,549		17,516	32	154,549
2. Allied lines	8,220	72,218		6,925	1,295	72,218
3. Farmowners multiple peril	523,392	1,074,181		512,130	11,262	1,074,181
4. Homeowners multiple peril		2,449,526				2,449,526
5. Commercial multiple peril		1,646,921				1,646,921
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine		171,130				171,130
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		60,033				60,033
17.1 Other liability-occurrence	541	78,302		541		78,302
17.2 Other liability-claims-made		2,586				2,586
17.3 Excess workers' compensation						0
18.1 Products liability-occurrence		6,662				6,662
18.2 Products liability-claims-made						0
19.1,19.2 Private passenger auto liability	25,450,519	2,418,371		25,448,907	1,612	2,418,371
19.3,19.4 Commercial auto liability		757,557				757,557
21. Auto physical damage	21,514,382	2,262,685		21,109,721	404,661	2,262,685
22. Aircraft (all perils)						0
23. Fidelity						0
24. Surety						0
26. Burglary and theft		5,401				5,401
27. Boiler and machinery	9,451	18,348		0	9,451	18,348
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	47,524,053	11,178,470	0	47,095,740	428,313	11,178,470
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Sum. 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 \$

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire		48,192		48,192	19,437	981	66,648	42.8
2.	Allied lines	17,357	78,755		96,112	17,219	20,272	93,059	127.2
3.	Farmowners multiple peril	68,096	349,416	68,096	349,416	263,100	177,202	435,314	41.3
4.	Homeowners multiple peril		1,777,816		1,777,816	452,348	466,013	1,764,151	71.0
5.	Commercial multiple peril		631,088		631,088	545,075	509,741	666,422	42.5
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine		39,018		39,018	4,756	2,405	41,369	25.8
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability-occurrence				0	0	0	0	0.0
11.2	Medical professional liability-claims-made				0	0	0	0	0.0
12.	Earthquake				0	0	0	0	0.0
13.	Group accident and health				0	0	0	0	0.0
14.	Credit accident and health (group and individual)				0	0	0	0	0.0
15.	Other accident and health				0	0	0	0	0.0
16.	Workers' compensation		58,831		58,831	72,075	93,474	37,432	64.9
17.1	Other liability-occurrence		17,035		17,035	50,397	65,818	1,614	2.1
17.2	Other liability-claims-made				0	0	0	0	0.0
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence		1,700		1,700	5,375	3,750	3,325	46.9
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability	14,596,908	1,441,341	14,596,908	1,441,341	1,646,911	1,934,046	1,154,206	46.6
19.3,19.4	Commercial auto liability		270,187		270,187	678,458	738,262	210,383	30.2
21.	Auto physical damage	12,067,433	1,335,648	12,084,790	1,318,291	159,276	184,189	1,293,378	57.0
22.	Aircraft (all perils)				0	0	0	0	0.0
23.	Fidelity				0	0	0	0	0.0
24.	Surety				0	0	0	0	0.0
26.	Burglary and theft		373		373	0	0	373	7.3
27.	Boiler and machinery				0	0	0	0	0.0
28.	Credit				0	0	0	0	0.0
29.	International				0	0	0	0	0.0
30.	Warranty				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	26,749,794	6,049,400	26,749,794	6,049,400	3,914,427	4,196,153	5,767,674	51.9
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Sum. 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 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

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

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire		19,437		19,437		0		19,437	0
2.	Allied lines		2,526		2,526		14,693		17,219	6,877
3.	Farmowners multiple peril	1,025	223,568	1,025	223,568	18,955	39,532	18,955	263,100	33,851
4.	Homeowners multiple peril	16,000	379,236	16,000	379,236	111,712	73,112	111,712	452,348	70,343
5.	Commercial multiple peril		444,103		444,103		100,972		545,075	237,841
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine		4,756		4,756				4,756	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		53,161		53,161		18,914		72,075	11,975
17.1	Other liability-occurrence		21,981		21,981		28,416		50,397	29,148
17.2	Other liability-claims-made				0				0	
17.3	Excess workers' compensation				0				0	
18.1	Products liability-occurrence		5,375		5,375				5,375	0
18.2	Products liability-claims-made				0				0	
19.1,19.2	Private passenger auto liability	15,020,939	1,607,574	15,020,939	1,607,574	202,070	39,337	202,070	1,646,911	253,407
19.3,19.4	Commercial auto liability		455,171		455,171		223,287		678,458	132,681
21.	Auto physical damage	877,425	90,567	877,425	90,567	431,346	68,709	431,346	159,276	45,521
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	15,915,389	3,307,455	15,915,389	3,307,455	764,083	606,972	764,083	3,914,427	821,644
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Sum. 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 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

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	323,139	0	0	323,139
1.2 Reinsurance assumed	0	0	0	0
1.3 Reinsurance ceded	(309)	0	0	(309)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	323,448	0	0	323,448
2. Commission and brokerage:				
2.1 Direct, excluding contingent	0	1,809,524	0	1,809,524
2.2 Reinsurance assumed, excluding contingent	0	0	0	0
2.3 Reinsurance ceded, excluding contingent	0	135,231	0	135,231
2.4 Contingent-direct	0	260,917	0	260,917
2.5 Contingent-reinsurance assumed	0	0	0	0
2.6 Contingent-reinsurance ceded	0	1,789	0	1,789
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	1,933,421	0	1,933,421
3. Allowances to manager and agents	6,850	21,424	0	28,274
4. Advertising	1,182	4,702	10	5,893
5. Boards, bureaus and associations	10,788	41,446	2,071	54,305
6. Surveys and underwriting reports	0	108,024	0	108,024
7. Audit of assureds' records	0	0	0	0
8. Salary and related items:				
8.1 Salaries	485,366	767,192	43,014	1,295,572
8.2 Payroll taxes	26,650	43,395	2,954	72,999
9. Employee relations and welfare	66,645	101,263	5,903	173,811
10. Insurance	1,265	2,040	8,597	11,902
11. Directors' fees	7,585	7,585	7,585	22,755
12. Travel and travel items	9,932	45,985	1,451	57,368
13. Rent and rent items	16,741	28,493	1,411	46,644
14. Equipment	19,571	37,610	18,677	75,858
15. Cost or depreciation of EDP equipment and software	152,783	297,994	11,728	462,505
16. Printing and stationery	2,167	6,925	54	9,147
17. Postage, telephone and telegraph, exchange and express	19,928	40,399	670	60,997
18. Legal and auditing	103,754	248,293	47,250	399,297
19. Totals (Lines 3 to 18)	931,208	1,802,769	151,375	2,885,352
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	0	138,383	0	138,383
20.2 Insurance department licenses and fees	0	60,030	0	60,030
20.3 Gross guaranty association assessments	0	0	0	0
20.4 All other (excluding federal and foreign income and real estate)	0	1,639	0	1,639
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	200,052	0	200,052
21. Real estate expenses	0	0	0	0
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	139	224	79	442
25. Total expenses incurred	1,254,795	3,936,467	151,455	(a) 5,342,716
26. Less unpaid expenses-current year	821,644	1,002,266	0	1,823,910
27. Add unpaid expenses-prior year	747,819	905,674	0	1,653,493
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,180,970	3,839,875	151,455	5,172,299
DETAILS OF WRITE-INS				
2401. Charitable Contributions.....	139	224	79	442
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	139	224	79	442

(a) Includes management fees of \$ 0 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).....23,895	.....23,892
1.1	Bonds exempt from U.S. tax	(a).....153,183	.....148,231
1.2	Other bonds (unaffiliated)	(a).....254,510	.....258,907
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....209,297	.....209,632
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....4,080	.....2,613
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....46,015	.....34,712
9.	Aggregate write-ins for investment income .....	.....1,762	.....1,762
10.	Total gross investment income	692,741	679,750
11.	Investment expenses		(g).....151,455
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).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....151,455
17.	Net investment income (Line 10 minus Line 16)		528,295
DETAILS OF WRITE-INS			
0901.	Oakmark Int'l Fund.....	.....67	.....67
0902.	BMO Pryford Intl Stk Fund.....	.....108	.....108
0903.	Eaton Vance Int'l Senior Loan Fund.....	.....135	.....135
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....1,452	.....1,452
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	1,762	1,762
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 \$3,921 accrual of discount less \$113,247 amortization of premium and less \$1,579 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ 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 .....	.....0	.....	.....0	.....12,844	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....568	.....	.....568	.....	.....
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....388,970	.....(13,594)	.....375,376	.....74,674	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....393	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....0	.....0	.....0
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....(235,531)	.....0	.....(235,531)	.....(5,999)	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	154,007	(13,594)	140,413	81,911	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	5,546	5,153	(392)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	5,546	5,153	(392)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	20,957	29,918	8,961
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	26,503	35,071	8,568
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	26,503	35,071	8,568
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
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 Expense.....		0	0
2502.			
2503.			
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)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Sonnenberg Mutual Insurance Company (SMIC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance 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 for determining its solvency under 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.

The financial statements of the Company are presented solely on the basis of accounting principles prescribed by the Ohio Department of Insurance. As such, there are no increases or decreases to net income or surplus on a statutory accounting basis as shown by the reconciliation below:

	State of Domicile	2020	2019
<u>NET INCOME</u>			
(1) SMIC state basis (Page 4, Line 20, Columns 1 & 3)	Ohio	\$ 827,598	\$ 438,379
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (1-2-3=4)		<u>\$ 827,598</u>	<u>\$ 438,379</u>
<u>SURPLUS</u>			
(5) SMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 19,209,389	\$ 18,351,854
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(8) NAIC SAP (5-6-7=8)		<u>\$ 19,209,389</u>	<u>\$ 18,351,854</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 of assets and liabilities. 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 are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method; U.S. Treasury Inflation-Indexed bonds are stated at amortized cost adjusted for unrealized inflation factor gains. Bonds rated at 3 or below by the NAIC are stated at the lower of cost or fair market value.
- (3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis. Fair values were determined from year-end market valuation.
- (4) The Company has no preferred stocks.
- (5) The Company has no mortgage loans.
- (6) The Company has no loan-backed securities.
- (7) The Company carries investments in subsidiaries, Sonnenberg Agencies, Inc. and Western Reserve Financial Corporation, at statutory equity as reported on Schedule D; these assets are reported as nonadmitted on page 2, column 2.

NOTES TO FINANCIAL STATEMENTS

- (8) Other invested assets consist primarily of investments in limited liability companies. Underlying investments primarily include hedge funds, private equity funds and emerging market and private debt funds. Interests are reported using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Realized gains and losses are generally recognized through income at the time of disposal or when operating distributions are received.
- (9) The Company has no derivatives.
- (10) The Company does not utilize anticipated investment income in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses 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 liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period
- (13) The Company has no pharmaceutical rebate receivables.

D. Going Concern
Not applicable.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method
Not applicable.
- B. Statutory Merger
Not applicable.
- C. Impairment Loss
Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not applicable.
- B. Debt Restructuring
Not applicable.
- C. Reverse Mortgages
Not applicable.
- D. Loan-Backed Securities
 - 1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.
 - 2. None.
 - 3. None.
 - 4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
 - a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$	—
2. 12 months or Longer	\$	—
 - b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months	\$	—
2. 12 months or longer	\$	—

NOTES TO FINANCIAL STATEMENTS

5. The Company reviews all loan-backed and structured securities in which the fair value of a given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security’s unrealized loss indicates a risk of other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale
Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Not applicable.
- J. Real Estate
Not applicable.
- K. Low-income Housing Tax Credits (LIHTC)
Not applicable.
- L. Restricted Assets
Not applicable.
- M. Working Capital Finance Investments
Not applicable.
- N. Offsetting and Netting of Assets and Liabilities
Not applicable.
- O. 5* Securities
Not applicable.
- P. Short Sales
Not applicable.

Q. Prepayment Penalty and Accelerated Fees	<u>General Account</u>	<u>Protected Cell</u>
(1) Number of CUSIPS	1	0
(2) Aggregate Amount of Investment Income	\$ 997	\$ --

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships, or Limited Liability Companies during the statement periods.

7. Investment Income

The Company has no uncollectible accrued investment income.

8. Derivative Instruments

The Company has no derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31, 2020 and December 31, 2019 are as follows:

1.

	12/31/2020		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 446,357	\$ 15,562	\$ 461,919
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	446,357	15,562	461,919
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	446,357	15,562	461,919
(f) Deferred Tax Liabilities	(42,806)	(751,028)	(793,834)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 403,551</u>	<u>\$ (735,466)</u>	<u>\$ (331,915)</u>
	12/31/2019		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 450,134	\$ 99,697	\$ 549,831
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	450,134	99,697	549,831
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	450,134	99,697	549,831
(f) Deferred Tax Liabilities	(87,526)	(733,319)	(820,845)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 362,608</u>	<u>\$ (633,622)</u>	<u>\$ (271,014)</u>
	Change		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ (3,777)	\$ (84,135)	\$ (87,912)
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(3,777)	(84,135)	(87,912)
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	(3,777)	(84,135)	(87,912)
(f) Deferred Tax Liabilities	44,720	(17,709)	27,011
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 40,943</u>	<u>\$ (101,844)</u>	<u>\$ (60,901)</u>

2. Admission Calculation Components SSAP No. 101

	12/31/2020		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 171,893	\$ (2,166)	\$ 169,727
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	201,072	2,166	203,238
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	201,072	2,166	203,238
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	2,881,408
(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.	<u>73,392</u>	<u>15,562</u>	<u>88,954</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 446,357</u>	<u>\$ 15,562</u>	<u>\$ 461,919</u>

NOTES TO FINANCIAL STATEMENTS

12/31/2019			
(4)	(5)	(6)	
Ordinary	Capital	(Col 1+2) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
\$ 138,855	\$ —	\$ 138,855	
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)			
233,871	—	233,871	
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	233,871	—	233,871
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	2,752,778
(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.	77,408	99,697	177,105
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ 450,134	\$ 99,697	\$ 549,831
Change			
(7)	(8)	(9)	
(Col 1—4) Ordinary	(Col 2—5) Capital	(Col 7+8) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
\$ 33,038	\$ (2,166)	\$ 30,872	
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)			
(32,799)	2,166	(30,633)	
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(32,799)	2,166	(30,633)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	128,630
(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.	(4,016)	(84,135)	(88,151)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	\$ (3,777)	\$ (84,135)	\$ (87,912)
3.	2020	2019	
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%	
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 19,209,389	\$ 18,351,854	
4. Impact of Tax—Planning Strategies	12/31/2020		
	(1)	(2)	
	Ordinary	Capital	
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.			
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 446,357	\$ 15,562	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 446,357	\$ 15,562	
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	

NOTES TO FINANCIAL STATEMENTS

		12/31/2019	
		(1)	(2)
		Ordinary	Capital
(b)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
5.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 450,134	\$ 99,697
6.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
7.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 450,134	\$ 99,697
8.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		Change	
		(5)	(6)
		(Col 1-3) Ordinary	(Col 2-4) Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ (3,777)	\$ (84,135)
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ (3,777)	\$ (84,135)
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
(b)	Does the Company's tax—planning strategies include the use of reinsurance?	Yes _____	No <u>X</u> _____

B. The Company has no temporary differences for which deferred tax liabilities are not recognized.

C. Current income taxes incurred consist of the following major components:

		(1)	(2)	(3)
		12/31/2020	12/31/2019	(Col 1—2) Change
1.	Current Income Tax			
(a)	Federal	\$ 93,953	\$ 48,528	\$ 44,425
(b)	Foreign	\$ —	\$ —	\$ —
(c)	Subtotal	\$ 93,953	\$ 48,528	\$ 44,425
(d)	Federal income tax on net capital gains	\$ 29,411	\$ (1,083)	\$ 30,494
(e)	Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f)	Other (incl. prior year over/under accrual)	\$ —	\$ —	\$ —
(g)	Federal and foreign income taxes incurred	\$ 123,364	\$ 47,445	\$ 74,919
2.	Deferred Tax Assets			
(a)	Ordinary			
(1)	Discounting of unpaid losses	\$ 65,540	\$ 86,568	\$ (21,028)
(2)	Unearned premium reserve	\$ 223,493	\$ 220,575	\$ 2,918
(3)	Policyholder reserves	\$ —	\$ —	\$ —
(4)	Investments	\$ —	\$ —	\$ —
(5)	Deferred acquisition costs	\$ —	\$ —	\$ —
(6)	Policyholder dividends accrual	\$ —	\$ —	\$ —
(7)	Fixed assets and prepaid expense— nonadmitted	\$ —	\$ —	\$ —
(8)	Compensation and benefits accrual	\$ 46,532	\$ 39,237	\$ 7,295
(9)	Pension accrual	\$ 2,644	\$ 3,216	\$ (572)
(10)	Receivables – nonadmitted	\$ 4,401	\$ 6,283	\$ (1,882)
(11)	Net operating loss carry—forward	\$ —	\$ —	\$ —
(12)	Tax credit carry—forward	\$ —	\$ —	\$ —
(13)	Other (including items <5% of total ordinary tax assets):			
(14)	Salvage and subrogation anticipated	\$ 83,292	\$ 78,081	\$ 5,211
(15)	Software capitalized	\$ 11,227	\$ 9,428	\$ 1,799
(16)	Other	\$ 9,228	\$ 6,746	\$ 2,482
(99)	Subtotal	\$ 446,357	\$ 450,134	\$ (3,777)
(b)	Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c)	Nonadmitted	\$ —	\$ —	\$ —
(d)	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 446,357	\$ 450,134	\$ (3,777)

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2020	12/31/2019	(Col 1—2) Change
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry—forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 15,562	\$ 99,697	\$ (84,135)
(6) Other	\$ —	\$ —	\$ —
(99) Subtotal	\$ 15,562	\$ 99,697	\$ (84,135)
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ 15,562	\$ 99,697	\$ (84,135)
(i) Admitted deferred tax assets (2d + 2h)	\$ 461,919	\$ 549,831	\$ (87,912)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ (17,148)	\$ (64,700)	\$ 47,552
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Accumulated amortization software	\$ (7,806)	\$ (4,974)	\$ (2,832)
(6) Discounting of unpaid losses	\$ (17,852)	\$ (17,852)	\$ —
(7) Other (including items <5% of total ordinary tax liabilities)	\$ —	\$ —	\$ —
(99) Subtotal	\$ (42,806)	\$ (87,526)	\$ 44,720
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (751,028)	\$ (733,319)	\$ (17,709)
(99) Subtotal	\$ (751,028)	\$ (733,319)	\$ (17,709)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ (793,834)	\$ (820,845)	\$ 27,011
4. Net deferred tax assets/liabilities (2i – 3c)	\$ (331,915)	\$ (271,014)	\$ (60,901)
D. 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. Among the more significant book to tax adjustments were the following:			
	12/31/2020	Effective Tax Rate	
Provision computed at statutory rate	\$ 199,702	21.0%	
Tax exempt interest	(22,793)	(2.4%)	
Dividends received deduction	(16,509)	(1.7%)	
Change in deferred tax on nonadmitted assets	(1,882)	(0.2%)	
Other	8,039	0.8%	
Total	\$ 166,557	17.5%	
Federal and foreign income taxes incurred	\$ 93,953	9.9%	
Tax on capital gains (losses)	29,411	3.1%	
Change in net deferred income taxes	43,193	4.5%	
Total statutory income taxes	\$ 166,557	17.5%	
E. Carry—forwards, recoverable taxes, and IRC §6603 deposits:			
(1) As of December 31, 2020, the Company had no net operating loss and net capital loss carry—forwards available for tax purposes.			
As of December 31, 2020 the Company had no alternative minimum tax (AMT) credit carry—forwards.			
(2) As of December 31, 2020, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$170,810.			
(3) The Company has no deposits reported as admitted assets under IRC §6603 as of December 31, 2020.			
F. The Company files an individual federal income tax return.			

NOTES TO FINANCIAL STATEMENTS

- G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.
- H. The Company is not subject to the Repatriation Transition Tax.
- I. The Company has not recorded an Alternative Minimum Tax Credit.

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At December 31, 2020, there was no intercompany receivable due from and/or due to its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. The Company (SMIC) participates in a pooling agreement with Western Reserve Mutual Casualty Company, (WRMCC) and Lightning Rod Mutual Insurance Company, (LRMIC) whereby net premiums, losses, underwriting expenses and related balance sheet amounts (except premiums receivable) are shared on a 5% / 40% / 55% basis, respectively. LRMIC assumes 100% of the business from WRMCC and SMIC and cedes 40% to WRMCC and 5% to SMIC.
- F. Not applicable.
- G. The Company owns 100% of Sonnenberg Agencies (SA), an insurance agency. In 2013, Sonnenberg Agencies distributed dividends and returned capital equivalent to its net assets. The stock is carried at \$0 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. The Company owns 5% of Western Reserve Financial Corporation, an inactive holding company. The stock is carried at \$5,546 (unaudited statutory basis) as reported in Schedule D, Part 2, Section 2. In accordance with SSAP No. 97, this subsidiary has been non—admitted.
- M. All SCA Investments

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities None	N/A	\$ --	\$ --	\$ --
Total SSAP No. 97 8a Entities	XXX	\$ --	\$ --	\$ --
b. SSAP No. 97 8b(ii) Entities None	N/A	\$ --	\$ --	\$ --
Total SSAP No. 97 8b(ii) Entities	XXX	\$ --	\$ --	\$ --
c. SSAP No. 97 8b(iii) Entities Western Reserve Financial Corp.	5%	\$ <u>5,546</u>	\$ --	\$ <u>5,546</u>
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 5,546		\$ 5,546
d. SSAP No. 97 8b(iv) Entities None	N/A	\$ --	\$ --	\$ --
Total SSAP No. 97 8b(iv) Entities	XXX	\$ --	\$ --	\$ --
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	\$ 5,546	\$ --	\$ 5,546
f. Aggregate Total (a+e)	XXX	\$ 5,546	\$ --	\$ 5,546

NOTES TO FINANCIAL STATEMENTS

2) NAIC Filing Response Information

SCA Entity	Type of NAIC Filing	Date of Filing to NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities None			\$ --			
Total SSAP No. 97 8a Entities			\$ --			
b. SSAP No. 97 8b(ii) Entities None			\$ --			
Total SSAP No. 97 8b(ii) Entities			\$ --			
c. SSAP No. 97 8b(iii) Entities Western Reserve Financial Corp.	Sub – 1	10/11/2017	\$ --	Y	N	
Total SSAP No. 97 8b(iii) Entities			\$ --			
d. SSAP No. 97 8b(iv) Entities None			\$ --			
Total SSAP No. 97 8b(iv) Entities			\$ --			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)			\$ --			
f. Aggregate Total (a+e)			\$ --			

N. Investments in Insurance SCAs – Not applicable.

O. SCA Loss Tracking – Not applicable.

11. Debt

Not applicable.

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

A. Defined Benefit Plan

The Company has a non-qualified, unfunded, retiree healthcare plan that was closed to new participants. The related liabilities and expenses are not material to the Company’s financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of December 31, 2020 and December 31, 2019, amounts held for these deferrals were \$0.1 million and \$0.1 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

E. Defined Contribution Plans

The Company’s employees are eligible to participate in a 401(k) plan sponsored by the Company after completion of three months of continuous service.

The Company matches a portion of employee contributions and may make additional discretionary contributions. The Company’s contribution for the plan was \$41 thousand for 2020 and \$40 thousand for 2019, respectively. The fair value of the plan assets was \$50.1 million and \$44.4 million at December 31, 2020 and 2019, respectively.

NOTES TO FINANCIAL STATEMENTS

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

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

A. Not applicable.

B. Not applicable.

C. Not applicable.

D. Not applicable.

E. Not applicable.

F. Not applicable.

G. Not applicable.

H. Not applicable.

I. Not applicable.

J. The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$3.6 million and \$3.5 million at December 31, 2020 and December 31, 2019, respectively.

K. Not applicable.

L. Not applicable.

M. Not applicable.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable.

B. Assessments

In the ordinary course of business, the Company receives notification of potential assessments as a result of the insolvency of insurance companies. It is expected that the insolvencies will result in a retrospective—based guaranty fund assessment against the company. The liabilities for known potential assessments are not considered material to the financial position of the Company.

C. Gain Contingencies

Not applicable.

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

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation are not considered material to the financial position of the Company.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

Not applicable.

15. Leases

The Company's lease agreements are limited to office and electronic data processing equipment. Rent expense for the years ending December 31, 2020 and 2019 was not considered material to the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

16. Information about Financial Instruments With Off—Balance—Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

Not applicable.

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

A. ASO Plans

Not applicable.

B. ASC Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

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

Not applicable.

20. Fair Value Measurements

- A. The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820 (SFAS No. 157), *Fair Value Measurements*. 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 as follows:

Level 1:

Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2:

Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3:

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

NOTES TO FINANCIAL STATEMENTS

(1) Fair Value Measurements at December 31, 2020:

Description of each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 978,070	\$ --	\$ --	\$ --	\$ 978,070
Total Cash Equivalents	978,070	--	--	--	978,070
Common Stock:					
Mutual Funds	4,838,074	--	--	--	4,838,074
Industrial and Misc	4,434,576	--	94,416	--	4,528,992
Total Common Stocks	9,272,650	--	94,416	--	9,367,066
Total assets at fair value/NAV	\$ 10,250,720	\$ --	\$ 94,416	\$ --	\$ 10,345,136
b. Liabilities at fair value:					
Not applicable.					

Fair Value Measurements at December 31, 2019:

Description of each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
c. Assets at fair value					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 1,112,522	\$ --	\$ --	\$ --	\$ 1,112,522
Total Cash Equivalents	1,112,522	--	--	--	1,112,522
Common Stock:					
Mutual Funds	4,040,541	--	--	--	4,040,541
Industrial and Misc	4,074,080	--	95,136	--	4,169,216
Total Common Stocks	8,114,621	--	95,136	--	8,209,757
Other Invested Assets	547,759	280,999	--	--	828,758
Total assets at fair value/NAV	\$ 9,774,902	\$ 280,999	\$ 95,136	\$ --	\$ 10,151,037
d. Liabilities at fair value:					
Not applicable.					

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

	Beginning Balance at 01/01/2020	Transfers In/(out) Level 3	Total Gain/(Loss) Included in Net Income	Total Gain/(Loss) Included in Surplus	(Sales)	Ending Balance at 12/31/2020
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 95,136	\$ --	\$ --	\$ (720)	\$ --	\$ 94,416
b. Liabilities:						
Not applicable.						

(3) As of December 31, 2020, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

Common Stocks – The Company holds an investment in NAMIC common stock.

B. Not applicable

C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$17,621,219	\$16,305,367	\$ 1,616,678	\$16,004,541	\$ --	\$ --	\$ --
Common Stock	9,367,066	9,367,066	9,272,650	--	94,416	--	--
Cash Equivalents	978,070	978,070	978,070	--	--	--	--

D. The Company has no assets for which it was not practicable to estimate fair value.

NOTES TO FINANCIAL STATEMENTS

21. Other Items

A. Unusual or Infrequent Items

During 2020, equity and financial markets experienced significant volatility and interest rates have continued to decline due to the COVID-19 pandemic. Additionally, there is uncertainty with respect to potential state and/or federal legislative actions impacting property and casualty insurance coverages. Furthermore, insured risks like personal auto and commercial auto as well as commercial property and liability have significantly changed and, in some cases, been reduced in the COVID-19 environment, and insurance organizations are evaluating premium refunds and other measures as the risks evolve. In response to COVID-19 and certain reductions in claim activity, the Company instituted a premium rate revision program for new and renewal personal auto business that was effective July 1, 2020. The impact of these revisions was an average rate decrease of 5%.

On March 27, 2020, H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act, "the CARES ACT", was signed into legislation which includes tax provisions relevant to businesses that during 2020 will impact taxes related to 2018 and 2019. Some of the significant changes are reducing the interest expense disallowance for 2019 and 2020, allowing the five year carryback of net operating losses for 2018-2020, suspension of the 80% limitation of taxable income for net operating loss carryforwards for 2018-2020, and the acceleration of depreciation expense from 2018 and forward on qualified improvement property. The Company is required to recognize the effect on the financial statements in the period the law was enacted, which is 2020. The impact of the CARES ACT on the Company's financial position or results of operations was not material.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

Not applicable.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non—Transferrable Tax Credits

Not applicable.

F. Subprime Mortgage Related Risk Exposure

Not applicable.

G. Insurance-Linked Securities (ILS) Contracts

Not applicable.

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not applicable.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through March 1, 2021 for the statutory statement issued on March 1, 2021 for the year ending December 31, 2020. No Type I events were identified that would have a material effect on the financial condition of the Company.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through March 1, 2021 for the statutory statement issued on March 1, 2021 for the year ending December 31, 2020. No Type II events were identified that would have a material effect on the financial condition of the Company.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

Not applicable.

B. Reinsurance Recoverable in Dispute

Not applicable.

NOTES TO FINANCIAL STATEMENTS

- C. Reinsurance Assumed and Ceded
If the Company cancelled its umbrella reinsurance program, the return commission would not have a material impact on the financial condition of the Company.
- D. Uncollectible Reinsurance
No significant changes.
- E. Commutation of Ceded Reinsurance
Not applicable.
- F. Retroactive Reinsurance
Not applicable.
- G. Reinsurance Accounted for as a Deposit
Not applicable.
- H. Disclosures for the Transfer of Property and Casualty Run—off Agreements
Not applicable.
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not applicable.
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation
Not applicable.
- K. Reinsurance Credit
Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2019 were \$4.9 million. During 2020, \$2.2 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$2.4 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been \$0.3 million of favorable prior year development from December 31, 2019 to December 31, 2020. Favorable development in auto physical damage, commercial multi-peril, commercial auto liability, and personal auto liability lines of insurance were offset, in part, by unfavorable development in homeowners/farmowners lines of insurance. The re-estimation is the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

26. Intercompany Pooling Agreements

- | | | | |
|----|---|-----------------|-------------------|
| A. | | <u>NAIC No.</u> | <u>Pool Share</u> |
| | Lightning Rod Mutual Insurance Company (Lead) | 26123 | 55.0% |
| | Western Reserve Mutual Casualty Company | 26131 | 40.0% |
| | Sonnenberg Mutual Insurance Company | 10271 | 5.0% |
- B. All transactions and balances in the underwriting accounts of the companies are pooled except premiums in the course of collection
 - C. All lines of business are subject to the intercompany pooling agreement. Cessions to non—affiliated reinsurers are prior to the cession of pooled business from the affiliated pool members to the lead entity
 - D. All pool members are subject to the same non—affiliated reinsurance treaties and have the contractual right of direct recovery per the terms of the reinsurance agreement
 - E. There are no discrepancies between the reinsurance schedules of the lead and other members of the pool.
 - F. The Provision for Reinsurance (Schedule F, Part 3) and the write—off of uncollectible reinsurance is in accordance with the pool participation percentages.
 - G. There were no balances due to/ due from the Company’s affiliated entities participating in the intercompany pool as of December 31, 2020.

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

1. No significant change Liability carried for premium deficiency reserves

\$

—
2. Date of most recent evaluation of this liability

12/31/2020
3. Was anticipated investment income utilized in the calculation?

Yes () No (x)

31. High Deductibles

Not applicable.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company does not discount liabilities for unpaid losses nor unpaid loss adjustment expenses in calculating statutory surplus.

33. Asbestos/Environmental Reserves

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

Yes () No (x)
- B. Not applicable.
- C. Not applicable.
- D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?

Yes (x) No ()

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
(1) Direct –					
a. Beginning reserves:	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
b. Incurred losses and loss adjustment expense:	—	1	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>
(2) Assumed Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(3) Net of Ceded Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for loss and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

NOTES TO FINANCIAL STATEMENTS

The Company's exposure to environmental losses arises from the sale of general liability insurance. The company estimates the full impact of the environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience. The company's estimate of the environmental related losses for each of the five most recent years after intercompany pooling are displayed above.

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

(1) Direct Basis:	\$	—
(2) Assumed Reinsurance Basis:	\$	—
(3) Net of Ceded Reinsurance Basis:	\$	—
- F. State the amount of ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):

(3) Direct Basis:	\$	—
(4) Assumed Reinsurance Basis:	\$	—
(5) Ceded Reinsurance Basis:	\$	—

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating? Ohio.....
- 1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☐ No ☒
- 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 ☒
- 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.

.....12/31/2016
- 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.

.....12/31/2016
- 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).

.....10/25/2017
- 3.4

By what department or departments? Ohio.....
- 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 ☒
- 3.6

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

Yes ☒ 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 ☒
- 4.12 renewals?

Yes ☐ No ☒
- 4.2

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

Yes ☐ No ☒
- 4.22 renewals?

Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- If yes, complete and file the merger history data file with the NAIC.
- 5.2

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

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

- 6.1

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

Yes ☐ No ☒
- 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 ☒
- 7.2

If yes,
- 7.21 State the percentage of foreign control

.....0.0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [☐] No [☒]
- 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 [☒]

8.4

If response to 8.3 is yes, please provide 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?

KPMG 191 West Nationwide Blvd. Columbus, Ohio 43215-2568.....

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 [☒]

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 the 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 [☒]

10.4

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

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [☒] 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?

William D. Hansen, FCAS, MAAA, Oliver Wyman, 325 John H. McConnell Blvd. Suite 350, Columbus, Ohio 43215.....

12.1

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

Yes [☐] No [☒]

12.11

Name of real estate holding company

.....

12.12

Number of parcels involved

.....0

12.13

Total book/adjusted carrying value

\$.....

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 [☐]

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 [☒] No [☐]

a.

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

b.

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

c.

Compliance with applicable governmental laws, rules and regulations;

d.

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

e.

Accountability for adherence to the code.

14.11

If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]

14.21

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

14.3

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

Yes [☐] No [☒]

14.31

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

15.1

GENERAL INTERROGATORIES

- 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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 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 \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 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 \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....

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 securities 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 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.
- \$.....0
- 24.05 For the reporting entity's securities lending program, report amount of collateral for other programs.
- \$.....0
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.08 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 [] NA [X]

GENERAL INTERROGATORIES

- 24.09 For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:

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

\$.....0

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

\$.....0

24.093 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 currently 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

\$.....

25.22 Subject to reverse repurchase agreements

\$.....

25.23 Subject to dollar repurchase agreements

\$.....

25.24 Subject to reverse dollar repurchase agreements

\$.....

25.25 Placed under option agreements

\$.....

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

\$.....

25.27 FHLB Capital Stock

\$.....

25.28 On deposit with states

\$.....275,858

25.29 On deposit with other regulatory bodies

\$.....

25.30 Pledged as collateral – excluding collateral pledged to an FHLB

\$.....

25.31 Pledged as collateral to FHLB – including assets backing funding agreements

\$.....

25.32 Other

\$.....

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 result of interest rate sensitivity?

Yes [] No [X]
- 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 [X]

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 Guideline 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 that 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.

\$.....
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
Northern Trust Company.....	50 South Lasalle Street Chicago, IL 60603.....

GENERAL INTERROGATORIES

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
Michael Shutt.....	I.....
Adrian Besancon.....	I.....

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 [] No [X]

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001 09658L-51-3.....	BMO Pyrford Intl Stk Fund 1.....	1,039,664
29.2002 27826A-73-0.....	Eaton Vance Floating Rate Fund CL1.....	1,005,708
29.2003 921932-81-0.....	Vanguard S&P SC600 Inst.....	298,229
29.2004 00766Y-19-0.....	Champlain SM CO Inst.....	878,201
29.2005 969251-71-9.....	William Blair International Ldrs 1.....	1,040,517
29.2006		
29.2999 TOTAL		4,262,319

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
BMO Pyrford Int'l Stock Fund 1.....	Japan Tobacco Inc.....	32,853	12/31/2020.....
BMO Pyrford Int'l Stock Fund 1.....	Nestle SA.....	29,111	12/31/2020.....
BMO Pyrford Int'l Stock Fund 1.....	Roche Holding AG.....	26,719	12/31/2020.....
BMO Pyrford Int'l Stock Fund 1.....	Legal & Gewneral Group PLC.....	25,264	12/31/2020.....
BMO Pyrford Int'l Stock Fund 1.....	Novartis AG.....	24,640	12/31/2020.....
Eaton Vance Flt Rt R6.....	Hyland Software, Inc.....	10,258	12/31/2020.....
Eaton Vance Flt Rt R6.....	JBS USA Lux S.A.....	8,850	12/31/2020.....
Eaton Vance Flt Rt R6.....	Information Corp.....	8,448	12/31/2020.....
Eaton Vance Flt Rt R6.....	Century Link Inc.....	8,046	12/31/2020.....
Eaton Vance Flt Rt R6.....	Ziggo.....	7,945	12/31/2020.....
Vanguard S&P SC600 Inst.....	GameStop Corp Class A.....	5,786	12/31/2020.....
Vanguard S&P SC600 Inst.....	Cleveland-Cliffs Inc.....	1,998	12/31/2020.....
Vanguard S&P SC600 Inst.....	NEOGenomics Inc.....	1,909	12/31/2020.....
Vanguard S&P SC600 Inst.....	Iridium Communications Inc.....	1,879	12/31/2020.....
Vanguard S&P SC600 Inst.....	Proto Labs Inc.....	1,849	12/31/2020.....
Champlain SM CO Inst.....	Q2 Holdings Inc.....	26,609	10/31/2020.....

GENERAL INTERROGATORIES

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Champlain SM CO Inst.....	Lancaster Colony Corp.....	24,677	10/31/2020.....
Champlain SM CO Inst.....	Pure Storage Inc A.....	23,624	10/31/2020.....
Champlain SM CO Inst.....	Sensient Technologies Corp.....	21,779	10/31/2020.....
Champlain SM CO Inst.....	Yext Inc.....	21,604	10/31/2020.....
William Blair International Ldrs 1.....	LVMH Moet Hennessy Louis Vuitton SE.....	32,984	12/31/2020.....
William Blair International Ldrs 1.....	Taiwan Semiconductor Manufacturing Co.....	31,216	12/31/2020.....
William Blair International Ldrs 1.....	Keyence Corp.....	29,239	12/31/2020.....
William Blair International Ldrs 1.....	Tencent Holdings Ltd.....	28,198	12/31/2020.....
William Blair International Ldrs 1.....	Infineon Technologies AG.....	27,470	12/31/2020.....

GENERAL INTERROGATORIES

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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	16,305,367	17,621,219	1,315,852
30.2 Preferred Stocks.....	0		0
30.3 Totals	16,305,367	17,621,219	1,315,852

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

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

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

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

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

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a.Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b.Issuer or obligor is current on all contracted interest and principal payments.
c.The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes [] No [X]

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]

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
b. If the investment is with a nonrelated party or nonaffiliated then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a -36.c are reported as long-term investments.
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [] NA [X]

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$54,305

37.2 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
Insurance Services Office, Inc.....	\$.....37,068

GENERAL INTERROGATORIES

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

\$3,726
- 38.2 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
Roetzel & Andress, LPA.....	\$.....2,013

- 39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$0
- 39.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only. \$0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.3.1 Reason for excluding
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0

1.6 Individual policies:

Most current three years:

1.6.1 Total premium earned \$0

1.6.2 Total incurred claims \$0

1.6.3 Number of covered lives0

All years prior to most current three years:

1.6.4 Total premium earned \$0

1.6.5 Total incurred claims \$0

1.6.6 Number of covered lives0

1.7 Group policies:

Most current three years:

1.7.1 Total premium earned \$0

1.7.2 Total incurred claims \$0

1.7.3 Number of covered lives0

All years prior to most current three years:

1.7.4 Total premium earned \$0

1.7.5 Total incurred claims \$0

1.7.6 Number of covered lives0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....0
2.2	Premium Denominator	\$11,108,984	\$	.....10,957,479
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$10,057,335	\$	.....10,195,750
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

3.1 Did the reporting entity issue participating policies during the calendar year? Yes [] No [X]

3.2 If yes, provide the amount of premium written for participating and/or no-participating policies during the calendar year:

3.2.1 Participating policies..... \$

3.2.2 Non-participating policies..... \$

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies?..... Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies?..... Yes [] No [X]

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. \$

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents?..... Yes [] No []

5.2 If yes, is the commission paid:

5.2.1 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A []

5.2.2 As a direct expense of the exchange..... Yes [] No [] N/A []

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?..... Yes [] No [X]

5.5 If yes, give full information
.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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:
Protection is provided by the casualty excess of loss agreement with multiple layers creating a \$19.5 million limit above a \$500 thousand per occurrence retention.....

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:
Catastrophe modeling (AIR and RMS models provided by our catastrophe reinsurance broker) is utilized to estimate probable maximum loss (PML). The exposures comprising the PML were severe thunderstorms, winter storms and earthquake in Ohio and Indiana.....

6.3

What provision has this reporting entity made (such as a 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?.....
A property catastrophe reinsurance agreement consists of three layers with an automatic reinstatement for additional premium. The total amount of coverage for a single loss occurrence is \$60.5 million above an \$8.5 million retention.....

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?.....

Yes [X] No []

6.5

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

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?.....

Yes [] No [X]

7.2

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

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

Yes [] No []

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?.....

Yes [] No [X]

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.....

Yes [] No [X]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [] No [X]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [] No [X]

9.5

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

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,
(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 [] No [X]

Yes [] No [X]

Yes [] No [X]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes [] No [X]

11.2

If yes, give full information

12.1

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

12.11

Unpaid losses.

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses).

\$

12.2

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

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

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

12.4

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

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

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

12.61

Letters of Credit

\$

12.62

Collateral and other funds.

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$1,200,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

2

14.1

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

Yes [] 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 []

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 []

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	\$	\$	\$	\$	\$
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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 [☒]

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.....

\$.....

17.12

Unfunded portion of Interrogatory 17.11.....

\$.....

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$.....

17.14

Case reserves portion of Interrogatory 17.11.....

\$.....

17.15

Incurred but not reported portion of Interrogatory 17.11.....

\$.....

17.16

Unearned premium portion of Interrogatory 17.11.....

\$.....

17.17

Contingent commission portion of Interrogatory 17.11.....

\$.....

18.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]

18.2

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

\$.....

18.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]

18.4

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

\$.....

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [☒] 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 [☐]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE SONNENBERG MUTUAL INSURANCE COMPANY					
FIVE-YEAR HISTORICAL DATA					
Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.					
	1 2020	2 2019	3 2018	4 2017	5 2016
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)	28,774,571	28,959,926	26,951,945	22,846,658	16,780,721
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	24,206,133	23,279,121	21,100,085	18,080,872	13,525,761
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,721,819	5,298,531	5,209,904	5,157,358	6,585,159
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	58,702,523	57,537,578	53,261,934	46,084,888	36,891,641
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)	3,323,511	3,332,436	3,259,915	3,128,955	2,917,600
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,665,983	2,730,764	2,691,071	2,598,417	2,437,929
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	5,188,976	5,047,441	4,943,556	4,892,160	4,873,061
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	11,178,470	11,110,641	10,894,542	10,619,532	10,228,590
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	150,049	(253,674)	560,567	(240,942)	196,929
14. Net investment gain (loss) (Line 11)	638,937	596,798	790,958	737,762	726,747
15. Total other income (Line 15)	132,565	143,783	136,443	137,498	137,013
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	93,953	48,528	202,194	49,259	139,893
18. Net income (Line 20)	827,598	438,379	1,285,774	585,058	920,796
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	30,864,493	29,995,866	27,604,968	27,594,412	25,943,575
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	9,508,545	9,480,035	8,633,766	292,805	286,572
20.2 Deferred and not yet due (Line 15.2)	4,361,499	4,392,676	3,941,448	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	11,655,104	11,644,012	10,847,846	11,151,324	10,638,788
22. Losses (Page 3, Line 1)	3,914,427	4,196,153	3,824,810	4,100,380	3,620,726
23. Loss adjustment expenses (Page 3, Line 3)	821,644	747,819	756,183	748,408	752,384
24. Unearned premiums (Page 3, Line 9)	5,321,264	5,251,778	5,098,616	4,983,469	4,798,757
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	19,209,389	18,351,854	16,757,122	16,443,088	15,304,787
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	687,194	(546,394)	(11,257,237)	1,039,384	1,408,077
Risk-Based Capital Analysis					
28. Total adjusted capital	19,209,389	18,351,854	16,757,122	16,443,088	15,304,787
29. Authorized control level risk-based capital	1,462,276	1,370,684	1,256,499	1,319,305	1,122,979
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)	97.4	101.4	109.4	57.9	57.3
31. Stocks (Lines 2.1 & 2.2)	55.9	51.5	47.6	30.1	30.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	(53.3)	(58.1)	(62.4)	9.6	9.9
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	5.2	5.4	2.4	2.4
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
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)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	5,546	5,153	4,230	4,383	3,861
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	5,546	5,153	4,230	4,383	3,861
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2020	2019	2018	2017	2016
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	64,994	1,145,621	(1,019,273)	364,584	345,173
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	857,535	1,594,732	314,034	1,138,301	1,198,352
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)	16,386,002	16,185,904	14,135,949	11,572,266	8,216,755
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	13,586,776	15,047,716	14,134,060	10,829,340	8,283,486
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,826,416	2,669,013	2,304,800	2,951,659	3,015,956
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	32,799,194	33,902,633	30,574,809	25,353,265	19,516,197
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)	1,789,094	1,949,986	2,157,258	1,813,774	1,662,433
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,501,986	1,617,264	1,615,651	1,475,318	1,417,673
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,758,320	2,645,413	2,058,840	2,508,127	1,969,324
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	6,049,400	6,212,663	5,831,749	5,797,219	5,049,430
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)	51.9	60.1	51.5	60.2	54.5
68. Loss expenses incurred (Line 3)	11.3	9.2	9.9	9.7	10.5
69. Other underwriting expenses incurred (Line 4)	35.4	33.1	33.4	32.5	33.0
70. Net underwriting gain (loss) (Line 8)	1.4	(2.3)	5.2	(2.3)	2.0
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)	34.0	31.3	31.8	30.6	31.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	63.2	69.2	61.4	69.8	65.1
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	58.2	60.5	65.0	64.6	66.8
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)	(431)	(533)	(352)	(268)	(177)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(2.3)	(3.2)	(2.1)	(1.8)	(1.3)
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)	(893)	(794)	(659)	(362)	(343)
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)	(5.3)	(4.8)	(4.3)	(2.6)	(2.5)

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

If no, please explain

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(2)	0	0	0	0	0	2	(2)	XXX
2. 2011	8,439	553	7,886	6,337	1,204	115	0	661	0	288	5,909	XXX
3. 2012	9,074	677	8,397	6,246	924	112	0	771	0	262	6,205	XXX
4. 2013	9,653	605	9,048	4,868	6	135	3	780	0	299	5,774	XXX
5. 2014	10,040	548	9,492	5,074	22	121	0	843	0	293	6,016	XXX
6. 2015	10,222	526	9,696	4,944	45	131	2	825	0	310	5,853	XXX
7. 2016	10,572	537	10,035	5,188	41	110	0	843	0	312	6,100	XXX
8. 2017	10,978	545	10,433	6,175	97	116	0	942	0	322	7,136	XXX
9. 2018	11,335	557	10,778	5,237	67	76	0	840	0	332	6,086	XXX
10. 2019	11,588	632	10,956	5,994	89	44	0	897	0	300	6,846	XXX
11. 2020	11,778	669	11,109	4,295	69	15	0	795	0	171	5,036	XXX
12. Totals	XXX	XXX	XXX	54,356	2,564	975	5	8,197	0	2,891	60,959	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	13	3	0	0	0	0	0	0	0	0	0	9	XXX
2.	2	0	0	0	0	0	0	0	0	0	0	2	XXX
3.	6	0	0	0	0	0	0	0	1	0	0	8	XXX
4.	25	0	0	0	0	0	2	0	3	0	0	30	XXX
5.	17	0	6	3	0	0	3	0	4	0	0	27	XXX
6.	91	34	6	3	0	0	6	1	7	0	0	73	XXX
7.	116	(1)	3	1	0	0	9	1	12	0	0	138	XXX
8.	173	1	2	1	0	0	26	3	36	1	0	231	XXX
9.	392	3	12	3	0	0	67	6	81	2	0	538	XXX
10.	1,108	38	61	13	0	0	122	10	146	4	0	1,372	XXX
11.	1,456	12	706	167	0	0	151	15	196	7	0	2,309	XXX
12.	3,399	91	796	189	0	0	386	36	486	14	0	4,736	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	9	0
2.	7,115	1,204	5,911	84.3	217.7	75.0	0	0	5.0	2	0
3.	7,137	924	6,213	78.6	136.5	74.0	0	0	5.0	6	1
4.	5,813	9	5,804	60.2	1.5	64.1	0	0	5.0	25	4
5.	6,068	25	6,043	60.4	4.5	63.7	0	0	5.0	21	6
6.	6,010	85	5,926	58.8	16.1	61.1	0	0	5.0	61	12
7.	6,281	43	6,238	59.4	8.0	62.2	0	0	5.0	118	20
8.	7,470	103	7,367	68.0	18.9	70.6	0	0	5.0	173	59
9.	6,705	82	6,624	59.2	14.7	61.5	0	0	5.0	398	140
10.	8,372	154	8,218	72.2	24.3	75.0	0	0	5.0	1,118	254
11.	7,614	269	7,345	64.6	40.2	66.1	0	0	5.0	1,983	326
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	3,914	822

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
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	One Year	Two Year
1. Prior	1,119	1,082	1,105	1,048	1,026	1,043	1,031	1,026	1,019	1,016	(3)	(10)
2. 2011	5,487	5,448	5,319	5,307	5,282	5,275	5,264	5,257	5,252	5,250	(2)	(7)
3. 2012	XXX	5,833	5,675	5,591	5,505	5,464	5,461	5,458	5,443	5,441	(2)	(18)
4. 2013	XXX	XXX	5,274	5,259	5,131	5,106	5,033	5,013	5,013	5,021	8	8
5. 2014	XXX	XXX	XXX	5,343	5,388	5,318	5,268	5,209	5,200	5,196	(4)	(13)
6. 2015	XXX	XXX	XXX	XXX	5,396	5,346	5,309	5,155	5,103	5,094	(9)	(61)
7. 2016	XXX	XXX	XXX	XXX	XXX	5,774	5,692	5,548	5,420	5,383	(37)	(165)
8. 2017	XXX	XXX	XXX	XXX	XXX	XXX	6,659	6,698	6,471	6,390	(81)	(307)
9. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,024	5,934	5,705	(229)	(320)
10. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,249	7,179	(70)	XXX
11. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,360	XXX	XXX
12. Totals											(431)	(893)

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
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
1. Prior	000	651	809	892	954	1,008	1,009	1,011	1,009	1,007	XXX	XXX
2. 2011	3,722	4,699	5,007	5,160	5,215	5,234	5,240	5,249	5,249	5,248	XXX	XXX
3. 2012	XXX	4,039	4,927	5,193	5,371	5,421	5,429	5,433	5,432	5,434	XXX	XXX
4. 2013	XXX	XXX	3,425	4,394	4,678	4,887	4,965	4,981	4,991	4,994	XXX	XXX
5. 2014	XXX	XXX	XXX	3,616	4,487	4,839	5,039	5,137	5,153	5,173	XXX	XXX
6. 2015	XXX	XXX	XXX	XXX	3,465	4,343	4,706	4,970	4,988	5,028	XXX	XXX
7. 2016	XXX	XXX	XXX	XXX	XXX	3,631	4,704	5,076	5,206	5,257	XXX	XXX
8. 2017	XXX	XXX	XXX	XXX	XXX	XXX	4,186	5,616	6,043	6,194	XXX	XXX
9. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,763	4,789	5,246	XXX	XXX
10. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,713	5,949	XXX	XXX
11. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,241	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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020
1. Prior	79	14	18	19	9	7	3	2	0	0
2. 2011	399	63	36	25	15	5	1	0	0	0
3. 2012	XXX	387	70	45	21	6	7	3	0	0
4. 2013	XXX	XXX	464	64	36	13	16	4	0	2
5. 2014	XXX	XXX	XXX	445	63	33	24	10	5	6
6. 2015	XXX	XXX	XXX	XXX	455	61	56	14	3	9
7. 2016	XXX	XXX	XXX	XXX	XXX	535	77	35	6	10
8. 2017	XXX	XXX	XXX	XXX	XXX	XXX	409	92	20	25
9. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	515	90	70
10. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	547	160
11. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	676

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status (a)	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL N	.0	.0	.0	.0	.0	.0	.0	
2. Alaska	AK N	.0	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ N	.0	.0	.0	.0	.0	.0	.0	
4. Arkansas	AR N	.0	.0	.0	.0	.0	.0	.0	
5. California	CA N	.0	.0	.0	.0	.0	.0	.0	
6. Colorado	CO N	.0	.0	.0	.0	.0	.0	.0	
7. Connecticut	CT N	.0	.0	.0	.0	.0	.0	.0	
8. Delaware	DE N	.0	.0	.0	.0	.0	.0	.0	
9. Dist. Columbia	DC N	.0	.0	.0	.0	.0	.0	.0	
10. Florida	FL N	.0	.0	.0	.0	.0	.0	.0	
11. Georgia	GA N	.0	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI N	.0	.0	.0	.0	.0	.0	.0	
13. Idaho	ID N	.0	.0	.0	.0	.0	.0	.0	
14. Illinois	IL N	.0	.0	.0	.0	.0	.0	.0	
15. Indiana	IN L	10,991,734	10,869,754	.0	6,746,612	6,723,892	4,837,479	36,020	
16. Iowa	IA N	.0	.0	.0	.0	.0	.0	.0	
17. Kansas	KS N	.0	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY N	.0	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA N	.0	.0	.0	.0	.0	.0	.0	
20. Maine	ME N	.0	.0	.0	.0	.0	.0	.0	
21. Maryland	MD N	.0	.0	.0	.0	.0	.0	.0	
22. Massachusetts	MA N	.0	.0	.0	.0	.0	.0	.0	
23. Michigan	MI N	.0	.0	.0	.0	.0	.0	.0	
24. Minnesota	MN N	.0	.0	.0	.0	.0	.0	.0	
25. Mississippi	MS N	.0	.0	.0	.0	.0	.0	.0	
26. Missouri	MO N	.0	.0	.0	.0	.0	.0	.0	
27. Montana	MT N	.0	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE N	.0	.0	.0	.0	.0	.0	.0	
29. Nevada	NV N	.0	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH N	.0	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ N	.0	.0	.0	.0	.0	.0	.0	
32. New Mexico	NM N	.0	.0	.0	.0	.0	.0	.0	
33. New York	NY N	.0	.0	.0	.0	.0	.0	.0	
34. No. Carolina	NC N	.0	.0	.0	.0	.0	.0	.0	
35. No. Dakota	ND N	.0	.0	.0	.0	.0	.0	.0	
36. Ohio	OH L	36,532,319	36,009,041	.0	20,003,182	18,834,367	11,841,992	111,059	
37. Oklahoma	OK N	.0	.0	.0	.0	.0	.0	.0	
38. Oregon	OR N	.0	.0	.0	.0	.0	.0	.0	
39. Pennsylvania	PA N	.0	.0	.0	.0	.0	.0	.0	
40. Rhode Island	RI N	.0	.0	.0	.0	.0	.0	.0	
41. So. Carolina	SC N	.0	.0	.0	.0	.0	.0	.0	
42. So. Dakota	SD N	.0	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN N	.0	.0	.0	.0	.0	.0	.0	
44. Texas	TX N	.0	.0	.0	.0	.0	.0	.0	
45. Utah	UT N	.0	.0	.0	.0	.0	.0	.0	
46. Vermont	VT N	.0	.0	.0	.0	.0	.0	.0	
47. Virginia	VA N	.0	.0	.0	.0	.0	.0	.0	
48. Washington	WA N	.0	.0	.0	.0	.0	.0	.0	
49. West Virginia	WV N	.0	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI N	.0	.0	.0	.0	.0	.0	.0	
51. Wyoming	WY N	.0	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS N	.0	.0	.0	.0	.0	.0	.0	
53. Guam	GU N	.0	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR N	.0	.0	.0	.0	.0	.0	.0	
55. U.S. Virgin Islands	VI N	.0	.0	.0	.0	.0	.0	.0	
56. Northern Mariana Islands	MP N	.0	.0	.0	.0	.0	.0	.0	
57. Canada	CAN N	.0	.0	.0	.0	.0	.0	.0	
58. Aggregate other alien	OT XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Totals	XXX	47,524,053	46,878,795	0	26,749,794	25,558,259	16,679,471	147,079	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
58999. Totals (Lines 58001 through 58003 + 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 2 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 (DSLII) – 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 state55

(b) Explanation of basis of allocation of premiums by states, etc.

Actual direct written and earned premium by state are assigned by address of policyholder for all lines of business.

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

PART 1 – ORGANIZATIONAL CHART

